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World news

UK envoy Fermenta **'angered** rescue Beirut captors'

Kidnappers negotiating with Terry Waite, the British church envoy, for the release of American hostages they were angry at his inability to secure the release of 17 Shia activists held in Kuwait jails, a senior Moslem militia official said in Bei-

rut yesterday. Waite, who disappeared on January 20, was said to have promised to seek a formula for freeing the 17 despite having been refused entry to Kuwait last year. Kuwait last week repeated its rejection of any swap between its prisoners and hostages of the Iranian-linked Is-lamic Jihad organisation.

India-Pakistan pact

India and Pakistan signed an agreement to defuse tensions and re-verse the build-up of troops along their border.

Moscow N-test hint

The Soviet Union condemned the latest US nuclear test as a provoca-tion and hinted it would soon resume its own testing programme af-ter a pause of almost 18 months.

Gorbachev warning

Mikhail Gorbachev, the Soviet leader, told former US Secretary of State Henry Kissinger and other former US officials at a meeting in Moscow that there were forces in America which stood to benefit from hostility between the two.

Peace nominees

Corazon Aquino, Nelson Mandela, Bob Geldof and Terry Waite were among 56 people nominated for the 1987 Nobel Peace Prize. Barciays inquiry The South African Government is

investigating allegations denied by Barclays Bank's local managing di-Barclays sanks and newspaper rector that he financed newspaper advertisements supporting banned ANC guerrilla group.

US-Morocco pact

The US and Morocco signed an agreement under which Morocco will allow an air force base to be used for emergency landings of the US space shuttle, Nasa said.

Popularity slips

Support for Charles Haughey's Fianna Fail in Ireland has slipped to 50 per cent while Garret FitzGerald's Fine Gael has strengthened slightly to 24 per cent, an Irish Times newspaper poll said. The general election is on February 17.

Protests in Spain

hanges in the educational system disrupted trading on the Barcelona stock exchange. Earlier, 45 people were injured in a protest in Madrid.

Egyptian referendum President Hosni Mubarak of Egypt

ordered a national referendum to be held on February 12 which will decide whether the three-year old People's Assembly will be dis-

Polish miners killed An explosion sparked off by me-

thane gas tore through a coal mine in southern Poland, killing 17 miners and injuring 20 others.

Liberace dies

Liberace, glittering showman who dazzied audiences with romantic piano flourishes and outrageous flashy costumes, has died aged 67.

US wins yacht cup

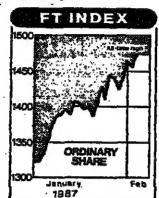
Stars and Stripes of the US beat Australia's Kookaburra III by one ROVER GROUP, UK state car and minute 59 seconds in the fourth race of the America's Cup yacht ward to a year "better than 1986 in race final, winning the best-of-seven series 4-0. Page 3

plan gets under way

Business summary

chemicals and antibiotics group has won the agreement of its four main Swedish banks to support the first stage of a financial rescue plan to stave off a looming liquidity crisis. Page 15

THYSSEN, biggest West German steel and engineering concern, in-curred a 22.1 per cent fall in turnover in the first quarter after a 30 per cent fall in group pre-tax profits isst year. Page 15



LONDON: Firm sterling and buoy-ant government bonds rekindled the stock market as the FT-SE 100 surged 18.1 to a fresh peak of 1,846.7 and the FT Ordinary index added 14.3 to a record 1,472.8. Gilts made gains of up to a full point.

TOKYO: Buying interest centred on large-capital issues and stocks re-lated to Aids drugs. The Nikkei av-erage ended at 19,373.87, up 17.54.

WALL STREET: The Dow Jones industrial average closed 22.78 at 2,191.23. Page 32

DOLLAR closed in New York at DM 1.8145; SFr 1.5395; FFr 6.0530; Y152.70. It rose in London to DM 1.8150 (DM 1.7975); to FFr 6.9550 (FFr 8.0025); to SFr 1.5320 (SFr 1.5175); and to Y152.75 (Y152.40) On Bank of England figures the dol-lar's index rose to 103.5 from 103.0.

STERLING closed in New York at \$1,5225. It fell in London to \$1.5225 (\$1,5280); it also fell to Y232.50 Y232.75); but rose to DM 2.7625 (DM 2.7473); to FFr 9.22 (FFr 9.1725); and to SFr 2.3325 (SFr 2.3175). The pound's exchange rate index rose 0.2 to 68.5. Page 25

.GOLD rose \$3,50 to \$494.75 on the London bullion market. It also rose in Zurich to \$403.00 (\$401.95). In New York the April Comez settlement was \$406,20. Page 24

DRESDNER Bank of West Germany doubled its stake in Metallgesellschaft to 33 per cent by assuming full ownership of the metals group's holding company.

Spanish students demanding WEST GERMAN unemployment rose sharply last month to 10 per cent of the workforce against 8.9 per cent the previous month, partly reflecting harsh winter weather

AMERICAN Home Products made an unspecified takeover offer for A. H. Robins, US health-care company facing product liability claims relat-ed to its Dalkon Shield contracep-

FIRST BOSTON, Wall Street invest ment bank, increased its full year net income by 38.5 per cent to 5180.5m or \$5.01 per fully diluted

share. Page 16 BOUYGUES, leading French construction group, reported an 8 per cent increase in net profits to FFr 480m (\$81.3m) from FFr 443m (\$75m) last year. Page 15

BANCO CENTRAL, largest Spanish commercial bank, is proposing to raise its divident from Pta 115 to Pta 150 per Pta 500 nominal share on profits which rose almost 40 per cent before tax last year. Page 16 truck manufacturer, is looking foralmost every respect," said Graham Day, its chairman. Page 6

Germany faces legal action for impeding EEC anti-cartel raid

BY WILLIAM DAWKINS IN BRUSSELS

THE European Commission yesterday started legal action against West Germany for allegedly failing to enforce EEC anti-cartel rules and mposed immediate fines on Hoechst, the Frankfurt chemicals

Hoechst is to be charged Ecu 1,000 (\$1,180) per day from today until it agrees to admit to its headquarters Commission inspectors looking for evidence of possible illi-cit price fixing in two widely used kinds of plastics.

The group is among eight chemicals companies which were the tar-get of surprise raids two weeks ago during a Commission inquiry into infringements of competition regu-lations in PVC and polyethylene. Hoechst, which said yesterday that it would appeal against the penalites, obtained a provisional injunction from Frankfurt Adminis-

trative Court on January 20 deny-

ing entry to the Commission offi-

If Hoechst continues to refuse to co-operate, the Commission can fine it another Ecu 5,000 quite apart from the much larger penalties available if the companies involved are found guilty of running a cartel. Even if the present penalties are

its defence against a £1.3bn (\$1.95bn) takeover bid from Lloyds

by reports and claims in the press, in particular about its loans to the

National Bank of Brunei, which has

now been shut down by the Brunei

authorities, and is owned by Tan Sri Khoo. Tek Pust, the Malaysian

inancier. Tan Sri Khoo bought a 6

per cent stake in Standard Char-

tered during the three-month take-

over battle which helped to defeat

Standard Chartered yesterday re-

peated its denial that it gave any

form of inducement to the support

ers of its defence against Lloyds, as

such inducements might be a

preach of the Companies Act. Its

share price initially fell 24p to 730p

This is believed to be the first

time the Bank of England has carri-

before recovering later to 738p.

Bank last summer.

the Lloyds bid.

size, they were seen in Brussels yesterday as underlining the Commission's anger.

In a separate move, the Brussels authorities are charging West Germany with failure to fulfil its obligans under the Treaty of Rome, the

EEC's founding charter. They have given the Bonn Government 15 days to come up with an explanation of why the Frankfurt court is backing Hoechst in an apparent contravention of EEC laws obliging companies to comply with

If Bonn does not respond promptly, the Commission can take West Germany to the European Court of Justice of Luxembourg.

Member states are normally given about two months rather than two weeks to respond to allegations that they are failing to observe Community law, a mark of the seriousness with which the Commission is taking the incident.

This is the first time a local court has given an injunction against an EEC inquiry.

Standard Chartered asks

Bank to investigate loans

its loans to the National Bank at a

cussed the role of Tan Sri Khoo and

Standard's other bid supporters.
The initiative for a fuller investiga-

tion came from Standard Char-

The investigation is likely to cover all the loans from Standard

Chartered which have been made

in recent years to its foreign sup-porters in the takeover battle. Rep-

and a legal firm are expected to be

appointed as inspectors to carry out

the investigation under section 17

Following Standard Chartered's

request to the Bank of England, a

series of discussions were held ves-

terday between officials of the

Bank and the Government's De-

partment of Trade and Industry as

entatives of an accountancy firm

minute for a company of Hoechst's

STANDARD Chartered, the Lon- the size of Standard Chartered. In-

don-based international bank, yes- vestigations are normally carried terday asked the Bank of England out on the Bank's own initiative and

to appoint inspectors to investigate in secrecy for lear of undermining the leans made to the supporters of the confidence of depositors. In this its-defence against a fl.3bn case, the Bank had already questioned Standard Chartered about

trate the application of this lawfully adopted decision.

The other companies involved, in France, Belgium, Italy, Spain and the Netherlands, handed over docu-ments as asked, but the Commission has not yet ruled out the possibility that more raids might be on

The investigation arises from evidence collected during a 1983 inquiry into price fixing by 15 polypropy-lene producers, culminating last year with record fines of £37m. AP adds from Brussels: Under ar-

ticle 169 of the EEC's founding treaty, the Commission can sue any EEC Government if it feels the member state has not fulfilled its obligations under the treaty. EEC search warrants have never been challenged before.

Officials said if the Commission loses its case against Hoechst and the Bonn Government it would have far-reaching implications for its efforts to control cartel-forming by EEC companies. But they said they felt reassured

by a 1964 EEC Court of Justice rul-The Commission said yesterday ing that argued that law stemming that it considers the case to be of from the treaty could not be overthe utmost importance and is deter- ridden by national laws without the mined to take every step necessary legal basis of the Community itself to overcome "this attempt to frusbeing called into question.

A Bank of England investigation has much more limited powers than

an investigation by the Department

of Trade and Industry of the type which is currently being carried out into the affairs of Guinness. In par-

ticular, the Bank has no authority

to compel the production of evi-

cials of Standard Chartered or of

This is expected to limit its ability

to investigate the stock market op-

erations involving Standard Char-

tered's supporters, particularly in the final week of the takeover bat-

tie. It may however be able to ob-

tain information relating to Stan-

dard Chartered loans from foreign

banking supervisory authorities, in particular in Brunei. The DTI con-

firmed yesterday that it was not

aware of evidence to justify the set

ting up of its own investigation un-

In a related development, Stan-

dard Chartered last night issued a

writ against the Financial Times

claiming an injunction and dam-ages for libel arising from an article

der the Companies Act.

other banks under its regulatory

control

Filipino military ordered to swear allegiance

By Richard Gourley in Manila ALL MEMBERS of the Philip-

pines armed forces will be re-quired either to swear an oath of allegiance to the country's new constitution or resign.

President Corazon Aquino and her Cabinet are using the over-whelming support of the popula-tion in Monday's referendum on the new constitution as a lever to try to unite both right wing military dissidents and extreme left wing rebels behind the Govern-

This seems likely to prove difficult. The army and navy in Ma-nila voted narrowly in favour of the new constitution while the Air Force rejected it. Elsewhere in the country many in the armed forces voted against although it seems that overall a majority will have voted in fa-

The Government also nrged the rebels to respect the vote for a new constitution and return to the negotiating table to try to end the 18-year insurgency in the southern rural areas. A 60-day ceaselire expires at midnight on Saturday and there are signs that both the military and the rebels expect renewed conflict soon if not immediately after it ends.

Mrs Aquino said last night in a television interview that she respected the right of soldiers to vote as they liked but that they were now obliged to respect the will of the majority.

The oath of allegiance will be administered immediately the new charter is officially ratified and will demonstrate the mili-tary's respect for civilian author-ity, the Government said.

Since Mrs Aquino took power last February, rumours of military coups and two actual mili-tary rebellions have plagued her Government. The latest rebellion en Jamuary 27, by 590 soldiers claiming to be against an alleged increase in communist influence in the cabinet, ended after an air force intelligence colenel led a sion station.

Reuter reports from Manila. President Aquino said early to-day the 60-day ceasefire should day the 60-day ceasefire should be extended when it expires because the people wanted peace in the Philip

She said on television that her Government would push to con-tinue the peace talks which col-lapsed after soldiers killed 15 people in an anti-government demonstration last January 22.

US oil groups and Saudis in long-term deal

BY RICHARD JOHNS IN LONDON

FOUR major US oil companies -Exxon, Mobil, Texaco and Socal -have concluded long-term agreements with Saudi Arabia to buy almost 1.3m barrels a day (b/d) of crude oil at the official selling rates set by the Organisation of Petro-

leum Exporting Countries (Opec).
The deal surprised the industry
as well as traders because the four companies had been reluctant to commit themselves to fixed prices more than a month shead. This reflected uncertainty over Opec's price structure, which came into force at the beginning of this month.

The agreement was seen yesterday as support for Opec's price system by the four oil companies which have been the Kingdom's most important customers. The agreement is also seen as

reflecting confidence in Saudi Arabia's ability to stabilise prices around \$18 a barrel.

The group also clearly wants to preserve its special relationship with Arabian American Oil, the state oil company, which they owned before its nationalisation.

The group's so-called "evergreen" contracts of indefinite duration are subject to cancellation or renegotiation at one month's notice by either party. However, it is understood that the four oil companies have agreed to pay the new official selling prices until the end of June but with an important proviso relating to actual volumes.

The accord apparently entitles them to lift as little as 50 per cent of contract volumes, compared with a leaway of 10 per cent under the old contracts which expired at the end of January. These were based on the "net-back" pricing system determined by actual market realisations for products, less refining and

In addition, the new contracts – unlike the old deals – are believed to allow the US majors to resell to

If the oil companies were to take their full entitlements, it would be a major boost for Saudi Arabia's af-

Continued on Page 14

Brussels postpones farm price package

BY TIM DICKSON IN BRUSSELS

the complex system of green cur- again until Tuesday. rencies and Monetary Compensatory Amounts (MCAs).

to cushion the effect of an otherwise harsh farm price regime. Agricultural trade between mem-

ber-states, meanwhile, is directly affected by MCAs, border taxes and evening out the effect of exchange rate differences. However, in prac- haul of the oils and fats sector. tice they are an increasingly politi-cal set of bargaining chips during annual price negotiations.

EEC COMMISSIONERS last night cussed exhaustively by senior offitemporarily abandoned their at cials over the past 10 days. Their tempt to agree a package of farm failure to do so reflects the unusual price proposals for the year begin-sensitivity of many of the issues in-

Agriculture ministers were due to yesterday, the 17-man Commission take a first look at the price proposbecame badly bogged down discussing the far-reaching ideas of Mr next Monday, but a Commission of Frans Andriessen, the EEC's Agriculture Commissioner, to change missioners would not be meeting

encies and Monstary Compensato-y Amounts (MCAs).

Green currencies are the notional pected to be controversial: exchange rates used to translate Proposed cuts in cereal prices

common EEC support prices into and other measures to restrict the national currencies. In the past cost to the EEC of guaranteed "inthe context of what is known to be a restrictive set of prices drawn up by Mr Andriessen and his officials other Commissioners apparently raised lew serious objection subsidies theoretically aimed at Plans for a new oils and fats tax designed as part of a major over-

This is a highly contentious plan, since it would directly hit consumannual price negotiations.

The Commission had been widely to be non-discriminatory would be expected to approve a set of propos-als which has already been dis-playback on its soyabean industry.

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PRIVATbanken Limited, Capital Markets Division, 107 Cheapside, London EC2V 6DA. Tel: (01) 726 6000.

ed out an investigation into a bank to who should conduct the inquiry. in yesterday's newspaper. USX to cut steelmaking capacity and reduce workforce by 20%

BY ANATOLE KALETSKY IN NEW YORK

USX, the US steelmaking and energy group which has just fended off a takeover bid from Mr Carl Icahn and settled the longest strike in its history, is cutting its steelmaking erick said.

Making his first public statement sindefinitely idling five major plants since the end of steelworkers' strike and laying off nearly 20 per cent of and the announcement of record

naking workforce. any cost and will later consider had already been included in the erick added, implicitly rejecting the spinning off its steelmaking opera-tions or forming them into a joint Having com-

strike sales volume of 1m tonnes of steel a month by the second half of played down in public statements.

1987, "we will sell steel at whatever These would include spinning off the market place will pay," Mr Roderick said.

charges of \$1.6n for the fourth quar-

Having consolidated and strengthened its steelmaking operations Mr David Roderick, USX chair- after the strike, USX would carry man, admitted that his determina- out its previously announced plan tion to rebuild sales could further to turn US Steel into a separate letive. In order to restore the pre-numerous restructuring options, or Japan, he said.

US Steel to shareholders, making a After taking this action, USX will be rot 1986, Mr Roderick said that tinue to be the biggest steelmaker move to regain its pre-strike share all the costs of the consolidation he in the US market, with the capacity of the US steel market at almost was announcing in detail yesterday we have now determined." Mr Rod

public offering for part of its stock, establishing it as a joint venture or retaining it as a 100 per cent owned subsidiary of USX. Whichever option was adopted "US Steel will conpossibility of any further capacity reductions.

Mr Roderick added that the fall in the dollar had not yet gone far enough to satisfy the needs of US tion to rebuild sales could further to turn US Steel into a separate le-undermine prices in a market gal entity. Once that was done, Mr USX, however, were now competi-which is already fiercely competi-Roderick said he would consider tive with any steelmaker in Europe

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Politics: Delors steps into the French television: plus ça

Airbus: Bonn finds support Economics: nearest thing to hard to find 4 a British boom 13 Technology: simple steps to Lombard: Britain's doctors Management: putting a pan- Lex: ICI, Thyssen, Union ther in the pink 10 Discount 14 Editorial comment: Bill of Papermaking: the challenge Rights; US finance 12 from Fletcher 15

An absurd personal row looms over today's meeting with Thatcher, writes Quentin Peel

Questing Delors steps into the British lion's den

and Eurocrats in Brussels side in Strasbourg to press the would probably give a month's point home — that she was fed ment at the London summit—salary to be files on the wall up with the Commission president, and she was not prepared sponses: a warm welcome in the today at a fascinating confrontation scheduled for No 10, Downing Street.

Mr Jacques Delors, president of the European Commission. will be meeting Mrs Margaret London to ask for just that.
Thatcher, the British Prime In return for a promised overMinister, for an hour's tete-ahaul of the Common Agricultete on the future of the Euro- tural Policy and tighter control pean Community— their first encouncter since they clashed publicly and acrimoniously in encouncter since they clashed 12 member states to commit the European Parliament last joint spending on social and

That occasion, coming on top of a disastrous joint news conference at the end of the EEC escape its perennial cash crisis. reference at the end of the EEC summit in London one week summit in London one week sardier, left their previously cordial relations in tatters. Mr Delors, a man whose considerable intellectual powers are liberally spiced with Gallic passion, took the affair very much to heart.

Mrs Thatcher also let it be known in her familiar style—she took several indidual Euro
escape its percunial cash crisis. It promises to be a very long and very difficult debate on the great battle from 1979 to 1984 to win a guaranteed reduction in the hefty UK net contribution to Brussels. The absurdity about their personal row is that it stems minister tradition, but not the tone normally used by a head of whole agonising question of the known in her familiar style—she took several indidual Euro-

"to pay a penny more" of British cash to Brussels for the foreseeable future.

Now, Mr Delors is coming to

of EEC spending, he wants the regional policies, and to raise their budget contributions so that the Community can

south, like Rome and Madrid, and decided budgetary caution both in Paris and the Hague. London today, and Bonn next week will be his most difficult

Whatever the state of their personal relations, it is inevitable that Mrs Thatcher will give Mr Delors a rough first ride. Her advice from both the Treasury and the Foreign Office is to say what she wants to say: No. But it is also to avoid becoming isolated once again in the European debate, as she

stops of the lot.

By the time she turned to him, he was already feeling snubbed, and declined to comment. She then added insult to injury by making a series of patronising remarks

In the European Parliament, Mr Delors spoke after the Prime Minister, and made it clear he was unhappy about the lack of substance in the London summit conclusions an out-come in which he had himself

Needled by his tone, and stung by a whole series of critical speeches by dedicated MEPs, Mrs Thatcher savaged her critics in response, and remonstrated with Mr Delors for failing to use his chance to have the control of the control

pean Commissioners to one on his great trek—agreed with aious—until she had already will not be easy, given their present system based on value side in Strasbourg to press the the heads of state and govern-begun to answer questions from conflicting personal styles, and added tax, customs duties and the subjects under discussion.

Mrs Thatcher has demanded "costed options " from the Commission on its future plans and financing needs. Instead, she will receive a set of deliberately vague and rather backward-looking papers.

gests a system of "stabilisers" in each farm sector—an automatic correction mechanism to control the cost of farm sub-sidies, triggered without the need for the usual bruising political debate among the farm ministers. It is easier said than

Italian call

naval forces

ITALY'S TOP naval com-mander yesterday called for a greater Nato naval presence

in the Mediterranean because the "perennial instability and hotbeds of tension" around its shores pose the greatest current threat to Western peace and stability.

In essence, the Italian chief

of naval staff was calling for a greater European element

in Nato naval forces in the Mediterranean. These are currently dominated by the US Sixth Fleet whose forces,

OS SIXIN Freet whose forces, he said, "are more likely to trigger off far-reaching in-volvements because of their exceptional strength."

Admiral PiccionFs call

represents the most public statement so far of Italy's growing concern about the overspili of Arab-Israeli, terrorlst and Libyan tensions

on Nato

By David Buchan,

The paper on boosting the so-

levies (a shrinking base), to one product in each member state. It suggests 1.4 per cent of gross domestic product to mirror the present 1.4 per cent VAT ceiling, but which is probably equivalent to about 2.1 per cent The one on CAP reform sug-than either London or Bonn is ready to consider.

> It is when any change in the present 1.4 per cent VAT ceiling is considered that the crunch comes for Mrs Thatcher. Britain's hard-won budget debate—a 66 per cent reduction in the gap between its VAT share and expenditure share —is tied to the duration of that ceiling. And there is no way Mrs Thatcher will sanction any change which does not include as good a deal, or better, for her government. She will make that write clear today only the that quite clear today; only the tone she adopts is in doubt.

Delors (right): cordial relations in tatters



Brussels advice to Turks on EEC bid

THE EUROPEAN Commission selling their property. This has accepted that Turkey will would open the way for Greece apply to join the EEC in the to ratify a protocol recognising next few months and has advised the Ankara Government between Turkey and the on how to make a successful Community. has accepted that Turkey will apply to join the EEC in the next few months and has advised the Ankara Government on how to make a successful application.
Turkey is committed to

applying for membership this year. Most Community governments are hostile to the idea, though Spain is relatively favourable.

A visit to Ankara last month by Mr Jean Schwed, head of the Commission's division dealthe Commission's division dealing with Turkey, Cyprus, Malta and Yugoslavia, has been followed by specific advice on how to handle the run-up to an application during the Belgian presidency. Mr Leo Tindemans. Belgium's Foreign Minister and present head of the EEC Council of Ministers, is regarded as cil of Ministers, is regarded as an advocate of the Turkish cause. Both the Commission and Turkey are anxious that the application should be lodged

before the Darish presidency begins later this year. For an application to avoid

Turkey would have to agree that its claim that Turkish labour is entitled to migrate freely throughout the Com-munity should be "subsumed" in the process of an application.

If agreement on these points were reached there would be a formal ministerial meeting of the Turkey-EEC Association Council, perhaps in April or May, at which Turkey would apply on the understanding that it would take at least two years before the next step—the submisison of an opinion on the Turkish application.

However, it would then be accepted that Turkey was on an irreversible course towards full

Andriana Ierodiacenou adds from Athens: Greece yesterday rejected a Commission time-table for the signing of a pro-tocol bringing Greece into line immediate veto, some long with the Turkey-EEC Associastanding disputes will have to ton Treaty. It refused to sign be resolved. The first step would be for Turkey to lift the stricting the property rights of ban on Greeks in Istanbul from

West pours cold water

BY WILLIAM DULLFORCE IN GENEVA

ment on a treaty banning can have any credibility mise chemical weapons can be Western officials say, the Soviet reached this year are pitched Union must declare where its too high, according to Western stocks and production plants are party

Mr Yuri Nazarkin, the new chief Soviet negotiator on

In negotiation, however, the Soviet side has objected to crucial points in the proposal. They wish to retain the option for a country to refuse a challenge, while the British proposal

Before an inspection regime

Nevertheless, as the 40-nation UN conference on disarmament—the forum for the talks on chemical weapons—resumed here this week, it was generally agreed that substantial progress had been made in the past 12 months in wording a draft

would maintain the mandatory nature of the challenge, say Western officials.

The British plans has also

Labour troubles mount for Chirac

hill

By David Housego in Parks

FRENCH TEACHERS yesterday decided to step up their campaign against the new campaign again the new powers being given to primary school head-teachers in what is becoming another test of strength with Prime Minister Jacques Chirac's administration.
At the same time, two of the

largest unions—the combined teachers' federation and the pro-Socialist CFDT union—announced their rejection of the Government's new pay package for France's 4.5m public em-

The renewed trouble on the labour front—coming only a week after Mr Chirac had announced that his government would give priority to social issues reflect the diminishing authority of his administration.

Deputies from his neo-Gaullist RPR party were unusually critical at a meeting with him on Tuesday of the Government's presentation of policy and of its failure to get across its message on television. They also echoed the fears of their constituents about such issues as the price rises that many retailers have been imposing since the be-

ginning of the year.

The public opinion polls bring Mr Chirac no comfort either. A BVA Paris Match poll published yesterday shows that he now trails Mr Raymond Barre, the former Prime Minister, in popularity, with only 32 per cent of those questioned howing confidence in him (down 2 per cent from Decem-ber), against 52 per cent for Mr Barre (up 5 per cent). The poll suggested that Mr Chirac would be soundly beaten by Mr Barre as the right's contender for the presidency in the first round of voting. In the second Mr Barre

voting. In the second, Mr Barre would only lose by one percentage point to President Fran-cois Mitterrand. More broadly, an analysis published in the Le Monde newspaper yesterday showed that the Government is losing

ground mainly among voters on the centre right. But Mr Chirac himself is losing support as a potential presidential can-didate across the whole spectrum of the political right.
The teachers' decision to widen their action against Government moves to reinforce the status of principals in primary schools coincided with

demonstrations in large cities across France yesterday. Several thousand teachers marched in protest to the Prime Minister's office in Paris. While the Government's move commands considerable support outside the teaching profession

politicians are surprised that Mr Chirac should have allowed himself to become involved in Mr Rene Monory, the Education Minister, seemed yesterday to brush away what room there may have been for a compro-

A centrist and thus not a member of Mr Chirac's own party, Mr Monory is said to have lost confidence in Mr Chirac's administration and thus be willing to push the measure what-ever the political cost. --

Poehl warning on impact of higher growth

By John Wyles in Rome THE BUNDESBANK president, Mr Karl Otto Poehl, yesterday warned the US that it was over-estimating the possible impact of faster West German economic growth on reducing the US trade deficit. In an Italian newspaper inter-

view, he pointed out that West Germany accounted for only 5 per cent of US exports and that a majority of the most competitive US companies were already producing in West Germany. "The Americans ought to look more closely at, for example, Canada and some east Asian countries," he says, Mr Poehl maintained that

Bonn was doing all necessary to promote faster growth and that US pressure was unjusti-fied. He also cast doubt on whether the fall in the dollar would be translated into greater US competitiveness.

It would undoubtedly have a positive effect on the trade deficit, he said, but "a weak currency is not a guarantee of American industrial competi-tiveness. This can be really damaging because windfall profits might paralyse innovation and the economy's producti-

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Manny.

WEST GERMANY PONDERS HOW TO COPE WITH A CHERNOBYL LEGACY

Radioactive dairy exports blocked

THE CHASTENED representatives of two West German com-panies forced to give up their attempt to sell 3,000 tonnes of highly radioactive powdered whey to Egypt are due in Bonn today for talks with the Environment Ministry on how best to

destroy the entire cargo.

As the Meggle dairy in
Bavaria and Lopex Export in
Hessen run daily into growing criticism, there are also fears that other foodstuffs contami-

Egypt.
Another unconfirmed report broadcast on a regional tele-vision programme this week said that up to 100,000 tonnes of powdered dairy products had been exported from West Germany, Denmark, Ireland and the Netherlands to Brazil, where it was being sold in

formation, other contaminated would be illegal. Lopex claimed

(initially wrongly identified as powdered milk) in 100 railcars a Bremen harbour and another 50 cars in Cologne continued to boil furiously yesterday.

that other foodstuffs contaminated by the nuclear accident at Chernobyl in the Soviet Union last year may have been exported from Western Europe to the Third World.

Mr Walter Wallman, Bonn's Environment Minister, said yesterday that according to official, though unconfirmed, in-

West German goods were al. the whey powder exports were Government would take over all ready lying at Alexandria in to be used as animal feed. the powder and begin destroy-The domestic row over what to do with the powdered whey Laender would have to help dispose of it, he said, no matter

A further 2,000 tonnes remains in Bavaria, near the mains in Bavaria, near the Meggle dairy and Mr Waliman measures around 6,000 Bequerel

what local opposition might

Speaking to the Royal United Services Institute in London, Admiral Glasone Piccioni said the Joint effort should come from countries outside Nato's integrated military structure, like France and Spain, and from naval powers like Britain, which withdrew its Mediterranean squadron in the 1970s, in addition to forces provided by litteral states and the US.

Unemployment rises to near record 10%

UNEMPLOYMENT in West officially out of work. In cent. The weather in Decem-Germany rose to a near record January last year the unem-10 per cent last month, the ployment total reached 10.4 per second big rise in succession. cent following a post-war record leaders and trade unions Although government leaders of 10.2 per cent in January labeled bad weather in January 1985.

January is traditionally a bad month for jobs, but last month's increase (from 8.9 per cent in December) followed an almost

Coal jobs

in Spain

the coal runs out.

By David White in Madrid

THE SPANISH authorities

have put forward an interim two-year plan for the nationalised Hunosa coal board, rutting about 2,000 jobs, but have still to tackle

the issue of a long-term pro-gramme for the company up

to the end of the century as

The scheme, approved by INI, the state holding company, and the Ministry of Industry, ran into immediate criticism from trade unions.

The Communist-led Workers

Commissions, which recently won a majority position in Hunesa, said the Government was just patching up the com-

Hunosa, which has accumu-

lated losses of Pta 144bn (£738m) over the past five years, is reckoned to have the

lowest yields of any coal mines in the EEC. The

Government plan argues that

the company can no longer postpone cost reductions now

postpone cost reductions now that Spain is a member of the Comunity and has to seek

approval for further subsi-

The last three-year programme ended in December with Hunosa falling short of productivity and financial targets. The Socialist Government wants a new long term

ment wants a new long-term

anxious to avert a serious

clash in the mining area of

Asturias, on Spain's northern

coast, which is a traditional heartland of the left.

Hunosa, which runs 30 collieries in the region, is due under the plan to cut its workforce to 18,700 by the

end of next year by reducing the retirement age, in a bid to

prevent losses from rising above their current level of

about Pta 39bn a year. There

are to be no outright redun-

dancies, however. The plan aims to reduce

personnel costs, which amount to about 130 per cent of sales, and other non-

Pta26bn on bringing produc-tivity into line with other

Spanish mines and closer to

Production, which was 3.2m tonnes last year, is to be maintained with a target

range of between 3.3m and 3.7m tonnes.

EEC levels.

nancial costs, and to spend

to go

West tables

rights plan

human

greeted the figures with alarm. Mr Willy Brandt, the SPD chairman, said they proved that

The Government would be ber was good.
Opposition Social Democrat
leaders and trade unions

deeply concerned if the upward
trend continued into February.
This is unlikely but critics will

be keen to measure the size of blamed bad weather in January for the 1.1 point rise in the number of jobless, there was some relief that the general election was held before the figures were made public spectrum.

January is traditionally a bad chairman, said they proved that the economic growth of the economic institutes that begun to run out of steam, government hopes of achieving and the DGB union federation growth of 2.5 per cent or more yesterday.

Belgian tube-maker told to repay government aid

BY WILLIAM DAWKINS IN BRUSSELS

WESTERN nations yesterday "action programme" on human rights to the Conference on Security and Co-operation in Europe (CSCE), Reuter reports. The proposal, the first to be tabled by the West at the conference, would oblige the 35 CSCE nations to reply to questions on human rights, and would launch a continuous pro-

ess leading to a special human rights conference. "It is a concrete action pro gramme and an attempt to get away from endless rhetorical speeches, Mr Joseph Trouveroy, Belgium's chief CSCE delegat.

said. "Nothing of what is pro-posed is impossible." He was speaking on behalf of the 17 sponsors of the pro posal: the 12 European Com munity nations plus the US. Canada, Iceland, Turkey and Norway.

opened in November, Western nations have spent much time attacking the human rights record of the Soviet Union. The conference is a follow-up to 1975 Helsinki accords on accurity, economic co-operation and human rights.

Explaining the mechanism the three-stage proposal, Mr Lawrence O'Keeffe the chief British delegate said the first step would:

• Commit CSCE members to reply to requests for informa-tion on human rights from CSCE member-states and interested groups;

Set up a procedure of notifica-

tion to allow one state to inform

all others of its views on particularly difficult cases;
• Enable governments to demand special meetings of the 35 member-nations to discuss specific cases or situations. As the second step, the 35 CSCE states would meet to assess the first step and recommend new measures to improve fulfilment of human rights pledges to a full conference on the human dimension." This

Mr Eduard Shevardnadze, Soviet Foreign Minister, pro-posed in November that an international conference humanitarian co-operation

conference would be the third

ordered by the European Commission yesterday to repay BFr 9.8bn (£173m) of aid received from the Brussels Government over the past 10

The Comission ruled that the rid, disbursed to cover operat-ing losses and to expand pro-duction capacity to meet supply contracts for the Soviet Union, had broken EEC competition rules. It gave Tubemeuse an unfair advantage over equally hard-pressed competitors, it

Officials admit, however, that the penalty is at best symbolic because the Tubemeuse is unlikely to be able to repay any-thing like that sum. The Liegebased company filed for protec- production

TUBEMEUSE, the troubled tion from its creditors last Belgian tube-maker, was autumn after its bankers withdrew credit lines.

> was now examining with member states the possibility of still more stringent controls on industrial aid.

likely to come low on the list

Exactly how the Belgian Government is to recover the cash from Tubemeuse is uncertain. A commercial tribunal in Liege is expected to decide on Friday whether to nut company, which has 1,500 employees, into formal liquidation, but the Government is

According to the Commis-sion, EEC steel tube production is running at around 50 ner cept of capacity because of a decline in demand from important oil exploration and

The Commission said that it

of creditors,

Following last April's bombing of Libya by the US, Libya fired two missiles at the southern Italian island of Lampedusa on which the US has a naval station. The admiral appeared to be referring to the US action when he complained yester-day of "eases in which forces of high capability have been

used more out of emotion than reason, creating a con-derable risk of extending and aggravating the crisis." He contrasted this with successful instances of Western military intervention

The higher profile security role which Italy is seeking in the Mediterranean have led its armed forces to press for more use of the Nato joint force of 18 AWACS early warning aircraft in the south, and for purchases of British-made Sea Harriers to put on its new aircraft carrier, Gari-

such as mine-clearing in the

But an amendment to the 1923 law harring the Italian navy from operating fixedwing aircraft is still stuck in the Itailan Parliament.

on chemical arms hopes

SOVIET assertions that agreenegotiators. Fundamental differences over the right to inspection on challenge and on declaring the locations of stockpiles have yet to be resolved.

chemical weapons, said on Tues-day that Moscow was willing to compromise on challenge inspection along lines outlined in a British proposal tabled

stocks and production plants are located. So far it has not agreed to a schedule under which it would do so. Nevertheless, as the 40-nation

treaty.
All countries had now

accepted systematic on-site in-spection of their chemical industries, an essential confi-dence-building measure, Sir Ian Cromartie, head of the British delegation, said yesterday.
This was one of four points

been criticised by the US which country to voice suspicions insists on a more stringent that another was not complyformula allowing a country to demand inspection of chemical feel confident that it suspicions weapon facilities within 48 would be promptly allayed by

Alan Friedman reports on a struggle for control of a port closed by strikers

Last stand for defiant Genoa dockworkers

a cliche worthy of the old Marlon Brando film—the 19th caps and gloves, chewing on accept change and modernisa-cigarettes, playing cards and tion in the port of Genoa. draughts and talking animatedly about the reasons for their many ways of the struggles in wildcat strike action.

Trouble in Genoa has been growing since last month when the Communist Party and CGIL, the Communist-led national trade union, agreed to a new system of manning levels and the formation of a new company

in the shadow of the container has been grabbing the headlines ships, the place looks as though in Italy these past two weeks, central casting were making each day sounding more retrogrady a set for the remake of on the Waterfront.

The post of Contain containing organization, but castingly not a The port of Genoa is certainly organisation, but certainly not a co-operative, the association has Marion Brando film—the 19th been embarrassing its main The Genoa dispute is in century warehouses, the allies—the Communist Party hundreds of little men with and CGIL—by its refusal to many ways reminiscent

The Genoa dispute is in British docks during many ways of the struggles in British docks during the 1970s the 1970s. when, as at Genoa, the issue was modernisation. In the view of most Italian commentators it is not so much

about manning levels but rather a struggle for control of the port between an entrenched

D'Alessandro's private-sector association. Mr Zuccolini admits is not prepared to compromise approach to Genoa and aggresthat "we have too many his "industrial logic." The sive marketing of the port has resulted in a 36 per cent average a dockworker is employed 11.5 days a month.

The Note that the force of law or legal action will either accept his decrees (which have the force of law) or legal action will be the section of the labour that the force of law or legal action will be the section of the labour that the force of law or legal action will be the section of the labour that the force of law or legal action will be the section of the labour that the labou

of the struggles in

with the labour issue. The Genoa dock workers have which would handle container
shipping and be 51 per cent controlled by the port authority.
The shop stewards of the Compagnia Unica Lavoratori, the militant Communist dockRoberto D'Alessandro, a former
The Genoa dock workers have good reason to resist a change good reason to r militant Communist dock Roberto D'Alessandro, a former basic rate. This money is then workers' association which has Fiat executive hand-picked for used to pay all workers in the

conventional cargo traffic since 1983. Now the port authority chairman says he needs to deal

Mr Nedo Andolfo, the labour will have to be taken. Mr Nedo Andolfo, the labour relations executive at the port authority, says that the Compagnia's cushioned existence has been bankrupting the port for the past decade. "The average pay per worker, per day, on the basis of the Compagia's rates, is L620,000 (\$479) for six and a half hours of work," fumes Mr Andolfo. He adds, with grim determination: "This will now be abolished."

will have to be taken.

In the dockside offices of the dockworkers' organisation, Mr Paride Batini, the leather-lacketed and charismatic Consult (or leader) of the autonomous workers' association, explains why he disagrees with the Rome accord which he says he signed only because the alternative was legal action and jail.

Looking every bit the former will now be abolished."

The port authority plan calls for the workforce to be reduced by 850 people this year, for control of tariffs to revert to the port authority, for the introduction of new equipment and the reduction in the number of workers on any squad handling freight.

been on-sgain and off-again for the game is up-which perhaps violated nationally agreed the job by Prime Minister association.

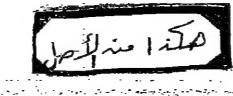
Among the 3,297 members of his office in the imposing 13th never admit. The battle for century Palazzo San Giorgio Mr Genoa may drag on a little microphones from their hands.

After decades of "worker the Compagnia only around trade union leaders and ripping control" of the port the management is strying to assert its age day, according to Mr Cesare situation as "the realisation of workers are bound to lose.

Looking every bit the former pugilist which he is, the weiter-weight Mr Batini says that the port authority's plans for the workforce are "more geared to manufacturing industry such as the Fizt assembly line than to

the peaks and troughs of the port business." Mr Batini makes his case with conviction and a certain The labour troubles have amount of personal charm, But

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OVERSEAS NEWS

China 'threatens to block direct Hong Kong poll'

REPORTS that China is tory's political development. threatening to make a unitateral decision to prevent the recent leadership changes and introduction of direct elections the new influence of old hard the new influence of old hard the new influence are included.

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according to reports in the student.

Chinese-language press. It had previously bowed to Peking's to receive a delegation of demand that there must be foreign correspondents which the foreign correspondents which demand that there must be "convergences" between the basic law — a mini-constitution for Hong Kong as part of China after 1997 — and political references

reforms.
China, however, might add a clause to the basic law stating that the territory's first legislature after 1997 will not have directly elected elements. The basic law is being drafted, mainly by pro-Peking interests. The first draft will be published in 1988.

pulsion of Mr Lawrence bounded, who works for AFP French news agency.
A student from Tianjin been arrested and charm supplying Mr Lawre with information, but foreign correspondents the incident has been structed to deter and into them.

Peking has yet to state clearly whether it will oppose direct elections, but a clause opposing them in the basic law opposing them in the basic law would effectively pre-empt the issue, although it is extremely unlikely Britain will proceed unless given the green light.

The recent crackdown on "bourgeois liberalism" in China has, however, increased concerns that the mainland will included in the paper, they harden its line on the terri-

harden its line on the terri- said.

in Hong Kong have prompted line conservatives continued in calls for the mainland to Peking yesterday when foreign clarify its views on political journalists were warned not to reforms due this year.

London has recently lobbied American journalist expelled Peking for direct elections in response to local demands, the aftermath of the recent

> wanted to hand over a letter from 43 journalists expressing "deep concern" about the ex-pulsion of Mr Lawrence Mac-Donald, who works for the A student from Tianjin has been arrested and charged with supplying Mr Lawrence with information, but the

foreign correspondents feel the incident has been con-

structed to deter and intimidate them. Government sources in Hong Kong have expressed surprise at the new reports concerning

Angola oil investment 'set to reach \$3bn by 1990'

BY MICHAEL HOLMAN

INVESTMENT in Angola's oil sector will approach \$35n (£1.95n) between 1986 and 1990, boosting oil production from about 276,000 barrels a day (b/d) last year to a forecast 370,000 b/d by 1990, 1985 makes Angola attractive according to a report on the country's economic and political prospects.

The 145-page study by the Economist Intelligence Unit says that this high level of investment makes Angola one of the most important markets in the world for companies per cent of Angola's export earnings, will exceed \$700m a year by 1987.

A high exploration success rate and low operating costs of an average \$1.82 per barrel in country's conflict between the country's conflict between the ruling MPLA and the rebel Units movement led by Dr Jonas Savimbi.

Angola to the 1990s: The Potential for Recovery, Econo-

of the most important markets

Angola to the 1990s: The
in the world for companies
supplying oil industry equipment and services."

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Ceasefire in Beirut 'camps war' proves short-lived

BY RICHARD IOHNS

HOPES OF ending the four-month battle between Amal, the mainstream Shi'ite militia in Lebanon, and Palestinian guerrillas defending refugee camps evaporated yesterday as a ceasedre patched together in

Damascus was promptly broken. The agreement reached between Amal and factions subservient to the Syrian regime collapsed because Al Fatah, the predominant force loyal to Mr Yassir Arafat, chairman of the Palestine Liberation Organisa-tion, was not a party to it. The ceasefire was scheduled to come

reasenre was scheduled to come into force at midnight on February 3-4.

The conflict has become a major source of pan-Arab concern, straining Syria's relations with its two closest allies in the region, Iran and Libya, which have been supporting Palestinian fighters. So, too, have Iraq and the Lebanese Christians. On the ground pro- and anti-On the ground pro- and anti-Arafat factions have co-operated in resisting the sustained siege by the Shi'ite militia. Its leadership opposes

the re-establishment of an armed guerrilla presence in the south of Lebanon because of the retaliation its provokes, but Amal has been badly divided over the issue.

The Palestinian Red Crescent Society calculates that since the "war of the camps" started again in September 1,824 residents have been killed, 4,549 wounded and 79,000 displaced in seven camps in the vicinity of Beirut, Sidon and Tyre.

In London, meanwhile, staff at Lambeth Palace said that there Lambeth Palace said that there was no news of Mr Terry Waite, the Archbishop of Canterbury's special envoy, who disappeared in Lebanon on January 21. Hopes for his safety depended on "key figures" contacted by Dr Robert Runcie, the Archbishop

● Iran yesterday expelled Mr Gerald Seib, the Wall Street Journal correspondent, arrested at the weekend on charges of spying for Israel. The Ministry of Islamic Guidance said he had

Indonesia gives go-ahead for privatisation

PRESIDENT Subarto of Indonesia yesterday formally gave the go-ahead for the privatisa-tion of public sector industries in a bid to raise badly needed

revenues. The programme, first put to ministers in December, is part of the Government's effort to rationalise the economy to offset falling earnings from oil and gas, traditionally the main exports.

The announcement comes ahead of month-long missions by both the International Monetary Fund and the World Bank, to look into the possibility of selling state firms to the private

The move was greeted with some scepticism by bankers, particularly given the narrow base of Jakarta's capital markets. Officials say only loss-making concerns will be sold off and not the more profitable of the 215 state companies.

The Government has said

strategic industries such as railways would not be affected. the debt-ridden state airline, might be considered were firmly denied this week by Mr R. J. Lumenta, the managing

Jakarta's somnolent stock exchange, which trades just 24 stocks, is preparing for a possible bond issue by Perum-tel, the state-run telecommunications company. The last flotation, a bond issue in 1985 by Jasa Marga, the state-run roads authority, was oversubscribed one-and-a-half times. President Suharto today leaves for Malaysia and Singapore, his first overseas trip for 17 months. The move surprised western diplomats, coming just two months ahead of national elections in April.

MPs hail role of BBC in South-east Asia

By Robin Pauley, Asla Editor THE BBC World Service and the British Council, both of which have been under severe budgetary pressures, are of immense value in South-east Asia and Indo-China, says a report published yesterday by an all-party Commons Com-

mittee.

Members of the Foreign
Affairs select committee visited
seven countries in the region
and concluded that Britain's cultural diplomacy was widely appreciated and contributed greatly to better understanding

The British Council had achieved considerable success in selling English language services and facilitating educa-tional and cultural exchange

programmes. The BBC's position as a re-liable source of news and com-ment not only on world affairs but on local affairs is described by the committee as "a quite remarkable phenomenon."

But the successes of both the British Council and the BBC need to be built on, says the report. In spite of the goodwill generate dby these two organisations the committee detected a general feeling of regret in south-east Asian states that Britain had "turned its back on its Asian friends" as a result of withdrawal from east of Suez and the priority attached to British membership of the European Economic

Foreign Affairs Committee rst report 1986-87, South-east

IMF gives go-ahead for key Lagos loan

ALEXANDER NICOLL IN LONDON

Fund (IMF) has approved a SDR forced the reluctance of some.
650m (\$825m) loan for Nigeria, a The Central Bank of Nigeria. some way short.

Unusually, the IMFs formal goahead was understood not to be Ty notes, "but also to insured credistrictly conditional on bank commitments to a \$3.8bn debt rescheduknown as the "critical mass."

tween 80 and 90 per cent of the total

As is normal in such packages, however, the fact that the strag-glers tend to be banks with smaller exposures means that the number represent more than 10 to 20 per holders. cent of the total.

But missed interest payments of weeks.

THE INTERNATIONAL Monetary uninsured trade credits have rein-The Central Bank of Nigeria issu-

key element in a complete debt reseed a statement which represented tructuring package for the country, its first official response to credieven though bank commitments to tor's concern about the missed intheir part of the package still fall terest payments, due on January 5. It said they were due not only to uninsured creditors holding promisso tors, as well as financing banks."

The banks said: "It was categori ling, including a \$320m new loan, cally stated that what Nigeria was reaching the 90 per cent level seeking was a comprehensive res cally stated that what Nigeria was tructuring on all its internal debt."
This implied that promissory note Commitments from 330 banks reholders should have understood quested to take part have been coming in slowly since the package was agreed by leading creditor banks in November. They now represent be was not spelled out by Nigeria. A key condition of all parts of the debt package is that all types of cre-

ditors are treated equally. The argument that this means interest payments due on the promissory notes would automatically be of banks still to commit themselves rescheduled is challenged by note-

Given the requirement for parity between types of creditors, the un-The IMF approval, which implies certainty over trade credits is likely confidence in Nigeria's execution of to delay finalisation of the commeran economic adjustment pro-gramme, is likely to encourage umentation of this would in any more banks to come into the fold. case take at least another six

America's Cup again

DENNIS CONNOR, the man who lost the America's Cup, won it back when his yacht Stares and Stripes the fourth race almost two minutes when his yacht Stares are stripes ahead of the Australian challenger, completed a 4-0 success over Australia's Kooksburra 111, agencies the Royal Perth Yacht Club came to an end. report from Freemantie.

American to lose the cup, which had been held by the New York dicate from the San Diego Yacht Yacht Club since the schooner America won it in 1851. Club. They built three yachts and erica won it in 1851.

came to an end.

It was the culmination of three In 1983 Connor became the first years of practice and planning by imprican to lose the cup, which Connor and his Sail American syn-



vitality, experience, awareness of its own function sup-port IRAN AIR's wings. IRAN AIR has developed over the years while working for you the kind of specialization which guarantees the most ef-

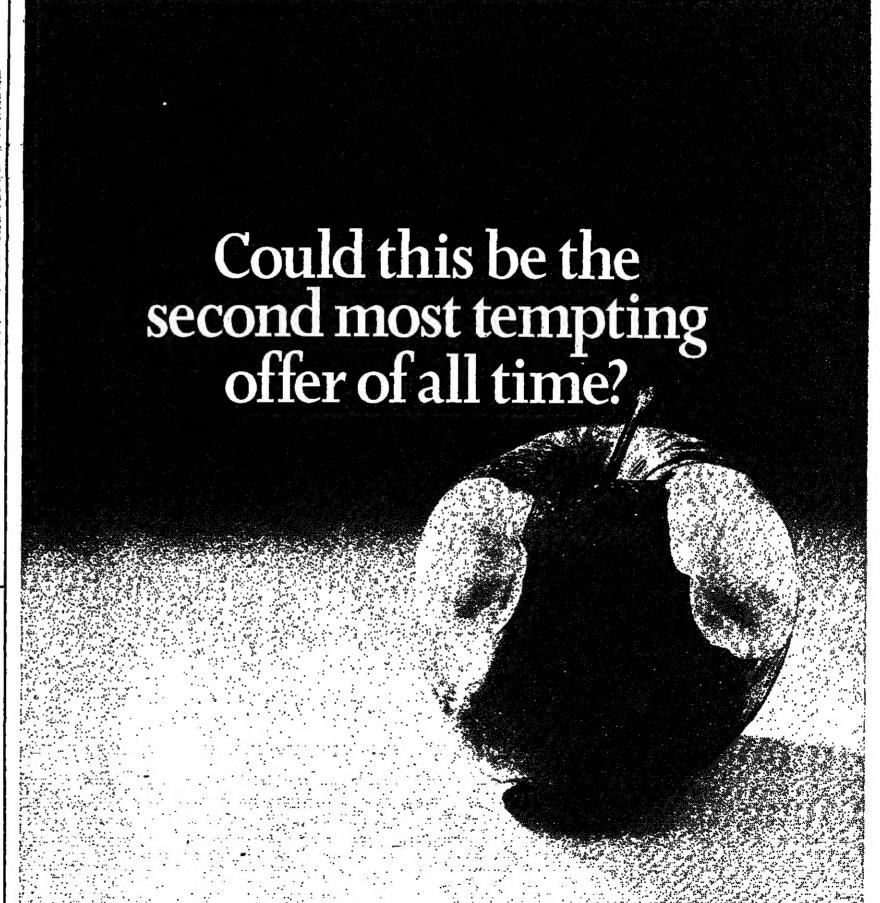
get there in the shortest possi-ble time, because time is preclous. And if you are going to the Far East, IRAN AIR will take



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Reagan set to suffer

defeat in Congress

on clean water bill

BY LIONEL BARBER IN WASHINGTON

bill aimed at cleaning up US

The Democrat controlled House of Representatives voted

overwhelmingly on Tuesday to override Mr Reagan's veto im-posed last Friday. Only 26 Re-

publicans supported their Pre-

The Senate—also controlled

Big Mac closure highlights crisis in Brazil

ANY CHILDREN of Sao Paulo's enough for industry.

This week Mr Mario Amato, leader of the Sao Paulo industrialists, warned that business awakened this week by the decision of the McDonald's hamburger chain to shut its doors. burger chain to shut its doors.

With characteristic sensitivity to public relations, managers of 16 branches instructed their staff to abandon the kitchen and take to the pavement to explain the McFacts of business life to disappointed customers. According to Mr Gregory Ryan, president of the chain, salaries have risen 82 per cent, hamburgers risen 82 per cent, hamburgers
110 per cent, buns 130 per cent
and wrapping 220 per cent. Yet
prices remain frozen and losses
are now about \$750,000 a month.

20 per cent. To defuse this
inflationary timebomb, Mr

shutdowns that are now pre-occupying economists in Brasi-New price adjustments 28 per cent on tyres are being announced daily—but not fast

provoked fury from the govern-

is how to contain a wages

Sarney wanted the backing of the new congress, installed on Sunday in its role as a national constitutional assembly (ANC), charged with drawing up a new

appear either legally or politically essential. Now, juridical uncertainties over the constitution have so muddied the waters that such support may be a prerequisite for all economic decision-making.

ment.

But the real worry for President Jose Sarney's Administration is now political. With January inflation expected to register anything between 11 and 20 per cent, the key issue is the question: who, now, governs Brazil? Some argue that, in reality, it is not Mr Sarney but Mr Ulysses Guimaraes, the leader of the majority Democratic Movement Party (PMDB), and 20 per cent, the key issue is how to contain a wages. Foremost among the issues is now sitting as the elected president of a sovereign assem-

bly with absolute powers.

The constitutional conundrum first emerged last Saturday. when a majority of PMDB mem-bers voted that the assembly should sit exclusively. That implied that the two houses of congress would be suspended until the new constitution is drawn up.

The proposal caused an out

constitution.

Yet such approval did not meant that supreme political

authority would be vested in the assembly with a capacity at any time of overriding the formidable legislative powers of the president.

At first the threat appeared to be removed by the election of presiding officials of both houses, thereby implicitly allowing the continued functioning of the administration under the old constitution until a new document is agreed.

But on Wednesday, a brilliant political ambush by the tiny left-wing Workers' (PT) and Communist (PCB) wrestled power back. parties The coup came when the left-

wingers insisted on a vote as to whether senators elected in 1982 should have voting rights in the new assembly. allowing the assembly to go to means it is unlikely to approve a ballot, Mr Moreira Alves, the supreme court justice, possibly without realising the implications, handed the body the means it is unlikely to approve any tampering by the executive with wage indexation unless substantial immediate pay rises tions, handed the body the

tution whenever it so chooses. Should this precedent stand,

and it seems it may, President Sarney will now face rigorous sanctions on his powers and even, in theory, the threat of instant dismissal.

For the economy, the impli-cations are immediate. Until now, the Government has repeatedly used arbitrary decree-law powers — a legacy repeatedly from the old military regime to enforce its policies. Though reluctant to do so, Mr Sarney was reported to be ready to use them again within days to settle the now dominant question of how to control the threatened wages explosion.

The assembly's commitment to maintaining real earnings



Sarney-in trouble

decree, already an unattractive appears now to be vulnerable to the assembly's veto.

For the hamburger-addicted children of Sao Paulo, only government authorised price rises will reopen their rises will reopen their McDonald's. But the crucial labour-cost price-rise spiral that contributed substantially to their closure looks further from

The Senate—also controlled by the Democrats following last November's mid term elections—is widely predicted to fayour a veto override which requires a two-thirds majority in each legislative chamber.

Mr Reagan vetoed the clean water bill last week saying it was "loaded with waste and was: "loaded with waste and larded with pork barrel." Re-publicans and Democrats like the bill because it gives them

home US Government money for pollution control.

President Reagan appears to have decided to veto the bill as a gesture to Congress to show he is trying to reduce Federal spending and thereby the huge federal budget deficit. But Congressional members from both parties were critical of Mr Reagan's tactics, saying he had picked a fight over a losing issue.

The bill—whose provisions have already been overwhelmingly passed by both chambers—provides for aid totalling \$18bn through to 1994 to state and local governments

PRESIDENT REAGAN was building sewage treatment heading for his first defeat of plants. The extra \$2bn is for the 100th Congress yesterday other pollution control programmes.

The importance of the snow-down between Congress and the President over the clean water bill lies in its symbolism. Mr Reagan, faced with a new Democrat majority in both chambers, is determined to demonstrate that he will not be pushed around by Congress.

The newly energised Demo-crats are equally keen to flex their muscles, particularly when it comes down to one of their favourite pieces of legislation It is also clear that Mr Jim Wright, the new speaker of the House of Representatives, wants to show that he can work with Mr Robert Byrd, the new Senate majority leader, to comise forces against the Republic forces against the Repub bine forces against the Repub-lican President.

Mr Wright's overtures to Mr Byrd—the subject of much comment in Washington in the past two weeks—are part of a strategy by the Democrat party leadership to use their majori-ties in the House and Senate to sap the President's powers. They want to show that a Demograt controlled Congress can govern the country responsibly—the vital message for votes in the 1988 Presidential

campaign. Nevertheless, the clean water bill struggle does not by itself reveal whether this strategy will work because its provisions were almost overwhelmingly favoured by the republican

Bernard Simon reports on Washington's efforts to repair Ottawa's most important trading relationship the environment and bring home US Government money

Modest US overtures to Canada bring sighs of relief

A BRIEF snatch of President far have taken a heavy toll on Reagan's State of the Union ad-dress last week gave a glimpse vative Party's domestic popu-of the efforts which the US and larity. Canada are making to repair damage done by a spate of trade disputes and other highly publicised controversies.

Mr Reagan promised that his Administration "will work to complete an historic free trace arrangement between the world's two largest trading partners, the US and Canada." Before the speech, he phoned Canadian Prime Minister, Mr Brian Mulroney, who was on a visit to Zimbabwe, to tell him that Canda would get a mention.

Alministration of the trace continues or the NDP would almost certainly take a much cooler and more nationalistic line towards the US on commercial, military and political issues. Both opposition parties have urged Mr Mulroney to be tougher with the Americans.

The Tory Government has re-

These gestures, modest as they are, hav been greeted with sighs of relief and bold head-

Several of the Mulroney ini-tiatives have stirred the controversy, creating a widespread impression in Canada that Ottawa has given Washington much more than it has received.
A future government which
includes either the Liberals or
the NDP would almost certainly

moved many of the irritants which soured relations between signs or relief and bold headlines in Canada.

A week earlier, Mr Mulroney
had hastily set up a meeting
with Vice-President Mr George
Bush to voice disquiet
at the low priority which the
US appeared to be giving its
northern neighbour.

Mr Mulroney has made improved relations with the US a
cornerstone of his two-year-old

Mr Mulroney has made improved relations with the US a cornerstone of his two-year-old Government's foreign policy, but the meagre results achieved so tection for brand-name pharma-

CANADIAN EXPORTS to United States

horemen ser

Contraction with the second

centicals produced by US and European multinationals. Mr Mulroney's boldest move is the eight-month-old free trade talks which seek to give Cansdian exporters more secure
access to their biggest foreign
market. The US accounts for
more than three-quarters of A US\$2bn (£1.3bn) jump in Canada's foreign exchange reserves last month reflects he recent unusually strong performance of the Canadian

dollar.

The Finance Ministry said yesterday that the reserves rose to \$6.1hm at the end of January, their highest level in 13 years. The reserves atood at \$3.2bm a year ago.

The authorities gave ago. The authorities gave no reason for the large increase, but it is understood the Bank of Canada has been buying US dollars to moderate the surge of the Canadian

Large foreign capital inflows, especially from Japan, pushed the Canadian dollar above 75 US cents earlier this

Canadian business and most of the ten provincial govern-ments. But doubts voiced by Ontario (some of whose indus-tries are threatened by free trade) and outright opposition from trade unions and cultural Canadians—such as measures to nationalists have turned free protect Canadian cultural industrade into a hot political issue tries and the 22-year-old bion which the Mulroney Govern-lateral automotive trade agree-

ment's future may well depend.

The Prime Minister has relied on what he claims is a warm, personal relationship with President Reagan to get Canada the attention it craves in Washington, but so far he has little to show for it.

show for it.
The Americans have paid little more than lip service to Canadian pleas for more action to combat acid rain.

US protectionism has led to a number of politically damag-ing trade disputes between the two countries. Washington imposed a duty on Canadian cedar shakes and shingles last year. Complaints by US timber pro-ducers recently forced Ottawa to levy a 15 per cent export tax on softwood lumber. Steel, natural gas and uranium are among other key Canadian exports on which the US is

US negotiators in the free trade talks have exacerbated Mr Mulroney's political difficulties by letting it be known that they intend to raise issues which are sacrosanct to many Canadians—such as pressure to

ment which has been a driving force behind the growth of the Canadian motor industry.

In a sense, the latest tensions are no different to Canada's long-held opinion that the US does not give its northern neighbour, biggest trading partner and close ally, the attention Canada deserves.

On the American side, how-On the American side, now-ever, there is a sense that Canada wants more than it deserves. The retired Speaker of the US House of Representa-tives, Mr Tip O'Nelli, said in Toronto last week that "Canada must accept the fact that she is a mature economic power and can no longer resort to subsidies and government assistance to maintain employment at the expense of other nations.

Mr Bush's hastily-arranged visit to Ottawa and the mention of the free trade talks in the State of the Union address suggest that Washington has taken note of the Mulroney Government's domestic prob-lems. The extent to which the Americans are willing to help bolster the Tories' electoral chances may become clearer when President Reagan visits Ottawa in early April.

Sprinkel says spending cuts vital to keep low tax rates

rates established in last year's tax reform bill, Mr Beryl Sprinkel, the chairman of the President's council of economic adivsers, said yesterday, AP-DJ reports from Washington.

Mr Sprinkel said federal spending restraint "will enable us to maintain the low tax rates provided in the tax refrom act of 1986," in remarks prepared for delivery to the House budget committee.

FEDERAL spending reductions. Low marginal tax rates are will be needed in order to needed to boost private incenrealise and maintain the low tax tives and encourage long-term rates established in last year's economic growth.

At the budget committee hearing, Mr Sprinkel said he and President Reagan oppose new taxes as a means to solve the budget deficit. However, Mr Sprinkel concurred with statements by Mr James Baker, Treasury Secretary, that specific portions of revenue increasing measures in the president's fis-cal 1988 budget could be label-

WORLD TRADE NEWS

complaints against Japan, US in Gatt

BY WILLIAM DULLFORCE IN GENEVA

THE EUROPEAN Community yesterday pressed home in the General Agreement on Tariffs and Trade complaints against Japan for its controversial taxes

Canada, the third largest exporter of whisky to Japan after the EEC and the US, strongly supported the EEC action which was also backed by Anstrukture and the strongly supported the EEC action which was also backed by Anstrukture and the strongly supported the third largest exports and disconnections and the strongly supported the strongly su tralia, Finland, Argentina, Yugoslavia and Australia.

Mr Minoru Endo, the Japanese delegate, claimed that Tokyo had gone far to meet the EEC complaint in December by a 30 per cent cut in taxes and the introduction of new stan-dards for the labelling of wines

and spirits. Mr Brian Morrisey of Canada, protested that the tax changes as having a trade protective would not come into effect effect, until 1988 and the labelling Morocco's accession to Gatt standards until 1990. More was cleared yesterday by the

Complaints to Gatt about the US oil import levy have been tabled by Canada and Mexico as well as the EEC.

and Trade complaints against
Japan for its controversial taxes
on imported spirits and against
the US for its newly-introduced
levy on oil imports.

It also announced that it
would table a complaint at the
next Gatt council meeting
against the customs user fee
recently applied by the US.

The Gatt council agreed to
set up dispute panels to arbichemical products which the IS

The Gatt council agreed to set up dispute panels to arbitrate both disputes. The panel is scheduled to introduce in to hear the spirits case will be chaired by Mr Manuel Tello, the Mexican ambassador to 5 per cent of the import value.

Gatt The composition of the Mr Mike Samuels, US deputy the composition of the com trade representative, said the tax on imports of crude oil and refined products was minimal and did not aim at affecting

On the future petrochemicals levy, he said no Gatt disputes panel could decide on a tax not yet implemented and for which regulations had not even been

drawn up. The customs user fee, against which the EEC warned it would take Gatt action, was being reduced from 0.22 per cent of value to 0.17 per cent, Mr Samuels said. It was so small that it could not be construed

standards until 1990. More- was cleared yesterday by the over, he said the regrading of Gatt council. Two-thirds of special and first grade whiskies Gatt's 92 member-countries special and first grade whiskies Gatt's 92 member-countries into one category with uniform must now give their approval taxation did not remove the discrimination in favour of the discrimination in favour of the cheaper, locally-produced whishing

'new trend' in trade with Tokyo

Japan trade.

Europe is the only region which is experiencing an increase in two-way trade with Japan, according to Mr Hugh Richardson, deputy head of the EEC delegation in Tokyo.

went up by 47 per ceut to \$31bn (£22bn) in 1986, Japanese imports from Europe went up by 50 per cent to \$14bn, he pointed out. Worldwide, Japan's exports went up by 19 per cent

This trend is "interesting

only a few months ago, EEC officials in Tokyo were complaining about alleged diversion of exports to Europe following the yen's appreciation against the dollar.

Mr Richardson said that the

trade with Japan, such as whisky, automobile standards and pharmaceuticals.

Europe's imports to Japan over the last year have shown the strongest growth in mineral fuels (up 71 per cent), motor vehicles (up 37 per cent), and aircraft (up 222 per cent).

By lan Rodger in Tokyo

and electronics group, has won a Y30bn (£128m) turnkey order for 80 digital electronic exchange units from Argentina's Empresa Nacional de Tele-comunicaciones (Entel).

NEC claims that the order, for Buenos Aires' telecommunications system, will give it a 50 per cent share of Argentina's exchanges market

Community presses | EEC hails | Bonn finds groups slow to back Airbus

THE West German Government is running into stiff resistance in its bid to bring in top indus-trial companies to back the country's stake in the four-nation European Airbus.

The US mission sent to Enrope to complain about alleged unfair competition

Daimler Benz, which has money and in what form Bonn trong aerospace interests since will be contributing to the contribution of the contribution o projects, have been complicated by the recent West German general election.

officials said, Reuter reports.

The US officials said they

would report to the US

cabinet on Monday but Washington had not yet

decided what action to take.

in the centre-right coalition which have got off to a frac-

nation Airbus consortium with
37.9 per cent, is a fully owned
subsidiary of MBB.
Discussions over the future
of Airbus, including how much

The likely, lengthy nature of
the talks means that no basic
decision on redrawing Airbus's
finances — including the question of backing for the A-330

and A-340 projects — is likely before April, officials say. The Liberal Free Democratic Party (FDP), which is especially worried about mount-ing subsidies for Airbus, emerged strengthened from Sunday's poll.

Concern over West German subsidies for Airbus has been rising in spite of a string of sales of the latest narrow-body Airbus version, the A-320.

Bonn has channelled DM
4.2bn (£1.5bn) in theoretically
repsyable cash grants into Airbus. In addition, around DM
2.7bn in government guaranteed-credits have been taken up by Deutsche Airbus. Mr Gerhard Stoltenberg, the

West German Finance Minister, has given an undertakeing that part of these credits will be taken over by the Government in the form of grants from next year onwards to ease Airbus's financial position.

Pentagon adds spice to Airbus row

incomes on going abroad. Foreign travel accounts for 4 per cent of private consumption, a level exceeded only by Austria (7.2 per cent), Norway (6.4 per cent), and Switzerland (4.9 per cent).
This compares with a European average of 2.7 per cent.
Dresdner said. As Germans

years ago, travel accounted for only 2 per cent of consumption. Italy is the favourite foreign destination for West Germans, having just overtaken Austria in 1985, Two-thirds of all holidaymakers in Austria are German. In Switzerland, Denmark

around 40 per cent.
Despite the D-mark's strength, foreign tourists are expected to spend 4 per cent more in Ger-many this year at DM 18bn. Nissan Motor Company and IBM Japan will set up a joint ven-ture to provide systems engineering services for application software development, Nissan said, Reuter reports from

Italian company in Soviet freezer deal

BY JOHN WYLES IN ROME

FATA, of Italy, has led the field other agreement so far an-in establishing the first sizeable nounced involves a Finnish joint venture in the Soviet Union—a company to manufac-Union—a company to manufac-The agreement was signed on ture freezer and other equip-

ment for preserving food profeature of the recent Soviet months, \$150m (£107m) of reforms, the new law permit-plant and equipment for fitting ting joint ventures was passed out a factory at Volzak, about

The agreement was signed on

Tuesday. According to reports from Moscow, the company A potentially important will supply, within the next two last month. The only 1,000 miles from Moscow.

EUROPEAN Commission officials in Tokyo yesterday praised a new, healthy trend in EEC-Japan trade.

While exports from Japan

in dollar terms while imports dropped by 2.3 per cent. Trade with the US, he added, declined, with exports down by nearly 13 per cent and imports falling by 21 per cent.

and different, perhaps radically different, Mr Richardson said. Although the trade surplus between Japan and Europe con-tinues to grow, the increase in two-way trade showed a "fun-damentally healthy trend," which he expected would con-

Commission would continue to concentrate on specific items in

NEC awarded Argentine order

NEC, the Japanese electrical

Defence Department has handed out contracts to the two US companies likely to be worth at least \$3bn over the next decade. The contracts are for the purchase of two types of rockets, Dekta-2 vehicles made by McDonnell Douglas and Titan-4s made by Martin Marietta, which will be used to lift into space military satellites for navigation, communications and surveillance.

The orders are certain to help The orders are certain to help the two companies in their efforts to win commercial launch orders, a business now dominated by Arianespace, a

Bonn has been trying to en-tice groups such as Daimler-Benz and Siemens to take a stake alongside Messerschmitt Boelkow Blohm (MBB), the country's largest aerospace manufacturer, in the European sirliner consortium.

These companies' considerable reluctance to put any money into Airbus adds to general worries over the Bonn

Siemens said that the company—which has an overall stake of just under 10 per cent in MBB—had "no plans" to put in any more money.

According to some observers, the backing by the Pentagon of two companies — McDonnell Douglas and Martin Marietta — in the area of satellite launchers

is equivalent to a US Govern-ment subsidy of these concerns.

If this claim could be substan-tiated, it might counter US attacks over the alleged Airbus subsidies, which US trade nego-

In the past two years, the Defence Department has handed

from the European Airbus consortium ended their tour yesterday with both sides still at odds, West German

strong aerospace interests since its takeover of the Dornier and Motoren und Turbinen Union Motoren und Turbinen Union
(MTU) companies, said there
were "no grounds" for any
financial participation in Airbus.
A similar response came from
BMW, the Munich-based car
manufacturer, which has also
been cited as a possible candi-Government's financing of the manufacturer, which has also venture. It also comes at a been cited as a possible canditime when the US is stepping up its criticism of subsidies to Airbus.

Dentsche Airbus, the West German partner in the four-

Bonn Economics Ministry offi-cials say that the question of Airbus financing will be taken up shortly in policy negotia-tions between the three parties

tious start.
The likely, lengthy nature of the talks means that no basic

Peter Marsh reports on claims of US subsidy for satellite launchers

THE role of the US Defence operates Western Europe's tution in Washington, said the panies to enter the space launcher business is adding spice to the controversy over whether European governments with the French Government have unfairly subsidised their aerospace industries by underwriting production of Airbus alreraft.

Martin Marietta and McDonal analyst at the Brookings Institution in Washington, said the McDonnell Do Defence Department contracts, by underwriting production of said been waiting we can start up per helping "the US aerospace and begin to am to companies in the commercial launcher market. He said the however, that the partment was in 1988 or 1989.

McDonnell Do Pentagon order business we can start up per helping "the US aerospace and begin to am to companies in the commercial launcher market. He said the partment was in 1988 or 1989. Martin Marietta and McDonnell Douglas entered the launcher business, a market likely to be worth about \$500m a year by 1990, in response to the decision by the US Governation of American Scientific Control of Control o

attacks over the alleged Airbus subsidies, which US trade negotiators are pressing in Europe this week.

The space shuttle fleet is grounded, at least until February next year, as a result of the Challenger explosion last

January. McDonnell Douglas and Martin Marietta, together with General Dynamics, a third US company which intends to offer commercial space launches using its Atlas Centaur rockets, previously built their rockets under contract either to the National Aeronautics and Space US Air Force. All three concerns intend to take over responsibility for marketing the vehicles, and launching the

rockets, using US Government rocket sites.

tution in Washington, said the Defence Department contracts, by underwriting production of had been waiting for. It means

ment last year that the US eration of American Scientists, space shuttle fleet should withdraw from taking into space the US commercial launcher commercial payloads such as telecommunications satellites.

Pentagon's decision to order the pentagon's decision to o

Defence Department orders.
Last month the Pentagon asked
the company to build by 1989
seven Delta-2 rockets for \$317m, with an option on producing a further 13 vehicles by the mid 1990s for an additional \$352m. The rockets are to be based

partment was paying a fair price for the rockets and denied that the order was a subsidy. Martin Marietta has benefited Martin Marietta has benefited less directly. The company in 1985 won a \$2.1bn order from the Pentagon for 10 Titan-4 rockets. Titan-4 vehicles are heavy-duty versions of the Titan-3 rockets, which the company aims to use commercially. said that the issue of helping the US commercial launcher industry played a part in the Pentagon's decision to order the new rockets. "This is a clear example of how military procurement can be used as a substitute for industrial policy."

McDonneil Douglas appears to have benefited most from the Defence Department orders. Last month the Pentagon asked the company to build by 1289 cases Delta-2 rockets for \$317m, Martin Marietta said that the

we can start up production lines and begin to amortise construc-tion costs." The company said, however, that the Defence De-

Martin Marietta said that the Titan-4 order would help its commercial operations because many of the components for the Titan-3 and Titan-4 are similar. National Aeronautics and Space Administration (Nasa) or the US Air Force. All three concerns intend to take over responsibility for marketing the vehicles, and launching the rockets, using US Government rockets, using US Government rockets sites.

The rockets are to be based on the same family of vehicles that McDonnell Douglas intends to use for its commercial launcher fieet. The company said it would hesitate to call the Defence Department order a subsidy. Martin Marietta has one reservation to be capitalised at VISOM mercial satellite, a telecommunications vehicle owned by Federal Express. It says launch by IBM Japan. The company will begin operations in March

back at top of travel spenders

W Germans

WEST GERMANY'S exports may be feeling the pinch from the strength of the D-mark, but the rising currency has enabled its citizens to return to the top of the world travel spending

This year, West Germans are expected to lift their spending on foreign travel by a further 5 per cent to DM 46bn (£16.4bn), Dresdner Bank said in a study on travel expenditure.

Because of its steadily revalued currency, West Germany last year overtook the US 28 the country spending the most on travel. Britain and France were the number two and three countries in Europe, but West German spending of DM 44bn was more than twice that of those two countries combined.
Compared with most other
countries, West Germans spend
a fairly high proportion of their

have become more prosperous, so they have been laying out more for holidays. Twenty and Yugoslavia, the share is

Nissan-IBM Japan software venture

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DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS

TELEPHONE: 01-836 9501

C. ITOH AND CO. LTD. OSAKA, JAPAN 5th February, 1987

NOTICE OF THE RESOLUTION OF THE BOARD OF DIRECTORS CONCERNING THE ISSUANCE OF NEW SHARES

To: Shareholders Notice is hereby given that at the meeting of the Board of Directors of C. Itoh and Co. Itd., held on February 2. 1987 the matter on the Issuance of new shares was resolved as follows:—

2. Amount of Issue price: 3. Date of Subscription: 4. Offering Method:

March 31, 1987 (Tuesday).

March 31, 1987 (Tuesday).

Public offering through underwriting by:
The Nikko Securities Co. Ltd.
The Dawa Securities Co. Ltd.
The Nomura Securities Co. Ltd.
Nippon Kangye Kakunaru Securities Co. Ltd.
Now Japan Securities Co. Ltd.
Now Japan Securities Co. Ltd.
Dai-lci Securities Co. Ltd.
Cosmo Securities Co. Ltd.
Purchasing the entire shares to be issued.

5. Date of Commencement of Dividend Accrual period for the new Shares: April 1, 1967.

Amount of issue price, amount of the portion of the issue price which shall not be accounted for as the stated capital and any and all other necessary matters pertaining the issuence of the new share shall be determined by a meeting of the Soard of Directors to be held hereafter.

Legal Notice

NOTICE IS HEREBY GIVEN that by an Order dated the 30th January 1987 the Court has directed a Meeting of the Roders of the Public Shares of the above named London 5 Overseas Land PLC (hereinater called "the Company") (Deling Ordinary Shares of 20p each other than Indee Shares which are registered in the names of 10 Tweedsman, or the Holdings of the Company of Scotland Central Nominees Limited Bank of Scotland Central Nominees Limited, Bank of Scotland Central Nominees Limited Central Nominees Limited Central Nominees Limited Cen

THIS SET CAY OF FEBRUARY 1987.

IN THE MIGH COURT OF 1987
IN THE MIGH COURT OF JUSTICE
CHANCERY DIVISION
MR. REGISTRAR BRADBURN
THURSDAY, SCH. COURT 1987
LONDON & OVERSEAS LAND PLC
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 16th day of March 1987 to send in their tull Christian and Sumames, their addresses and descriptions, full perticulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Surjit Rumer Single, F.C.A., or Single & Co., Chertered Accountants, or New Broad Street House. 35 New Broad Street House. 35 New Broad Street, London ECAM 1NH, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, ere, personally or by their Solicitors, to come in and prove their debts or claims et such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 18th day of January 1987.

S. K. SINGLA, F.C.A., Liquidator.

IN THE MATTER OF

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 28th day of February, 1987, to send in their full Christian and surmanes, their addresses and descriptions. full persculars of their debts or claims, and the names and addresses of their Sollcitors (if any), to the undersigned Patrick Walter John thriftgen of 1 Wardrobe Plece, Center Lane, London ECAV BAJ, the Uquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and piace as shell be specified in such notice, or in default thereof they will be secluded from the benefit of any distribution made before such debts are proved.

Dated this 12th day of Jenuary, 1967, PATRICK WALTER JOHN HARTIGAN, Liquidator.

IN THE MATTER OF JUST CATERING EQIPMENT LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1985

It is believed that up to Christmas, the positions taken were modest and primary dealing houses were trading well within their risk limits. It was only when retail demand picked up in about the third week of December that market makers started to get more adventurous and their position-taking

ber 27.

overseas investors and domestic in-

profits and the competition, as predicted, has been extremely tough.

ance about it. The gilts market en-

joyed two smooth dress rehearsals

and thankfully escaped the worst of

At this stage, some houses began to claw back some of the losses incurred in November and the beginning of December. By January, several firms confidently reported that they were covering their costs but hardly any boasted profits on

Mr George Nissen, chairman of the Gilt-Edged Market Makers Asmary dealers in UK Government sociation committee (Gernma) and bonds during the first couple of joint chairman of Morgan Grenfell months after Big Bang went some way towards limiting losses some-Government Securities, said that although some houses may have been times incurred because of the mexperience of traders in the new mar-ket and aggravated by the dearth of able to make a small gross profit, he would be surprised if many houses had managed to cover their

But even after the market's rally "The costs of starting up these optowards the end of December and erations and running them are absolutely monumental Many houses have moved into new buildings,

A hundred days after Big Bang. "There is no longer anything spethere are those who believe that cial about glits. Foreigners are perhaps 10 of the 27 primary deal-more confident about playing the an upturn in demand from both stitutions, few, if any, of the 27 marthey have had to purchase enorket makers appear to be making mous quantities of new technology and many have enlarged their staff at rather high salaries," he said The start to trading in the newly structured market had some assur-

He said most primary dealers had exercised great caution in trading the new market and the need prudence had been reinforced by some of the unsuccessful tactics employed by some in the initial

the technological nightmares which hit equity trading in the first few weeks after the deregulation of London financial markets on Octo-Aggressive attempts to build up market share by some houses had not really come off, according to Mr Nissen. There was also evidence in the early days of the new market that market makers who were inexperienced at posting prices had been taken advantage of by institutions and had been hit badly. As traders got more practice, however, these sort of problems were far rar-

> by US securities firms to build up nestic institutional client bases did not appear to have met with

the massive effort put in by the that the change in market structure American houses has not achieved had set off a process of internation-

Janet Bush looks at the performance of the market in government stocks since the deregulation of the City of London

Caution limits gilt losses but profits stay scarce

more. They have not proved to be alisation of gilts trading and that the great force in the market that the transition had gone pretty

ers now control about 65 per cent of market and using it just like the US gilts business. Although hard information is hard to come by in an increasingly competitive environment, it seems that those conglomerates built on old stockbroking and doubted that any of the market

the gilts arm of the Mercury group, said that the crucial factor in detersaid that the crucial factor in deter-mining success or failure in the market so far had been whether en, the major institutions have achouses had employed staff with ex-perience in making markets.

Mercury bought up Akroyd and Smithers, one of the two dominant jobbers in the old market. The other major jobber, Wedd Durlacher, was bought by Barclays Bank. As far as informal market rank-

ings are concerned. Warburg Securities and Barclays de Zoete Wedd are commonly thought to be the two firms who have done most business in the new market.

Mr Michael Hughes, director in

People have been surprised that charge of gilt sales at BZW, said

jobbing firms are well represented in that group of 10.

makers were making an adequate return on capital and he said that in that group of 10.

Mr John Shepperd, chief gilts some had made significant losses.

economist at Warburg Securities,

Evidence suggests that those forms who decided to resist the per Evidence suggests that those firms who decided to resist the per-

> customed themselves quickly to dealing directly with market makers, rather leaving the agencies out in the cold. He believes, however, that the agencies have an important role to play in serving the small, private investor and that their activity will

tend more and more to concentrate on specialised, smaller-scale busi-The experience of the six inter-dealer brokers appears to have been uneven and reports suggest, that only two or three are s

The Bank gilts team appears to have built up a good rapport with the market-making community and

has won itself a reputation for speed and efficiency. In summing up the first 100 days after Big Bang, Mr Nissen said: "It

has been quite a good story really. The gilt market didn't suffer the technological problems which hit equity trading at the beginning and no terrible things have happened which could have happened. And we haven't had any failures - touch

Before starting to trade in the new Market, several houses sig-nalled that they were prepared to run at a small loss in the initial

There appears to be some determination by market makers to ride out the storms of the first year so that, as one market participant put it, those who may be in trouble can hang on with the help of revenues from the bull market in equities at least long enough to depart the market with dignity. As for the future, much interest is

focused on whether the Bank will go ahead with experimental auctions of stock. The Bank of England intends shortly to bold discussions on this subject with market mak-

Speculation is also bound to intensify as the year goes on about whether any market makers will decide to pull out - it already accounts for a great deal of market chat - and about whether any new players will apply to become mar-ket makers in the autumn, particularly any of the Japanese securities

. . .

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1757.5

parties.

BETTO !

Tomorrow: how the technology has coped with Big Bang

tic institutions are concerned, the

new market has thus far proved a

great success. Mr Hughes of BZW

described the new market as "a

client's dream." Spreads have nar-

rowed considerably - to an average

of 4/32 on long-dated gilts - and the execution of orders is easier and

The major institutions have ap-

rently adapted themselves well to

The Bank of England is believed

to be satisfied with the way the market has settled in. It believes its

system of holding "ad hoc" tenders

when two or more market makers

bid for stock simultaneously has

worked well, that the settlements

system has run extremely efficient-

by and that the reporting system for

supervisory purposes has gone

the new-style trading.

BBC may prune local radio operations

BY RAYMOND SNODDY

THE BBC is carrying out an ur-gent review of its local radio op-erations, which could lead to the closure of some of its stations.

The review is being conducted in advance of a government discussion document on the luture of radio in the UK and an internal BBC conference at the end of this month which will review the corporation's priorities for the

At the very least the BBC is likely to decide that no further local radio station should be built and that plans for eight more stations to complete a network of 38 in England will be

Question marks are also grow-ing over several existing stations.

in particular those in London, Birmingham and Manchester which do badly in the ratings

The BBC says that the reach of ber of those who listen in a week - is about 9m or 14 per cent of the

According to figures from com-mercial radio, BRMB, the Birmingham commercial station has a weekly reach of 38 per cent against the BBC's 15 per cent, and Manchester Piccadilly's 38 per cent compared with the BBC's 18 per cent. In London, Capital has a weekly reach of 30 per cent, LBC 24 per cent and BBC local radio 15 per cent. The operating expenditure of BBC local radio, which employs about 1,000 people, was \$28.8m out of total radio spending of \$225m in the 1985-86 financial

The BBC stations which attract a high proportion of local listen-ers are those far from urban centres such as the stations on

Guernsey and Jersey.

The option of closing BBC local radio down entirely has not been completely ruled out as the BBC moves to trim budgets to live within a licence fee linked to the retail price index (RPI). This will impose a sharp financial squeeze because costs in the ladustry tend to run at 2 per cent a

The fate of BBC local radio will to some extent depend on the discussion paper, which is ex-pected to be published by the Home Office at the end of this

Mr Marmaduke Hussey, the new BBC chairman, is believed to be sceptical about whether the corporation needs to be in local radio.

Meanwhile, the independent radio sector is preparing itself for the expected recommenda-tion in the discussion paper that commercial radio regu should be taken away from the Independent Broadcasting Au-Independent Broadcasting Au-thority and go to the Cable Au-

Labour 'would not bail out overspent councils'

BY RICHARD EVANS

LABOUR local authorities that alysis of the projects involved," he have spent beyond their means added.

were warned unequivocally by parwere warned unequivocally by par-ty leaders yesterday that an incom-ing Labour government would not would not would not would not would be made by the Conservative be prepared to write blank cheques Party of any hint that Labour counto bail them out.

ed cash from a Labour government, en casa from a Labour government,
Dr John Cunningham, environment
spokesman, insisted at the London
Mr Neil Kinnock, Labour leader

ball them out.

There is no question of unlimit debt would be rescued by the tax-

spokesman, insisted at the London launch of the party's campaign for the local government elections on May 7.

"Cash will be strictly limited, and any additional resources will only be available from the centre after the most rigorous scrutiny and any quances of their policies.



WE CAN WORK IT OUT

Telephone dispute settlement 'in sight'

THE LEADER of Britain's striking telephone engineers, Mr John Golding, said last night after talks with British Telecom: "We can both see a way of reaching a settlement which is fair to both," Charles Leadbeater

The executive of the National Communications Union's engineering group will meet today to consider whether enough progress has been made in the talks with BT to call mass meetings to decide whether to end the strike by 110,000

Some union leaders believe the executive will recommend a return to work on the basis of an outline agreement which is expected to emerge from the talks.

Mass meetings could take place

at the weekend to allow a return to work on Monday. Workplace ballets would be held later to vote on a detailed package.

However, Mr Golding tempered his optimism by warning that there was still a lot of tough bargaining to be done. An agreement drawn up by the negotiators might still be rejected by the union's members. The prospects for a settlement re-

volve around the introduction of this year's pay award into the nego-tiations which have so far concentrated on the 1986 award and the associated efficiency measures BT wants to introduce.

The union wants the company to make a pay offer which is not conditional on the introduction of wideranging efficiency measures.

BT wants the efficiency measures to be agreed as part of the

1986 settlement, but this year's offer might be added to form a two-

■ OCCUPATION of the Caterpillar tractor factory at Uddingston near Glasgow looked set to continue after a meeting between the US management of the plant and engineer-ing union officials ended without agreement. Workers took over the tricity Generating Board (CEGB) that they will be invited to provide plant two weeks ago after the manproposals in August for building one coal-fired station. agement announced a closure plan

ROYAL Opera House, Covent Garden, has been told to think again about a plan to sell land for office development. It had hoped that the sale would help to pay for a £56m scheme to improve facilities at the opera house. Planners say they are not convinced that redevel

that there is an option for a second ■ DEVELOPMENT of the North coal-fired station, but it appears Sea Andrey gas field to be operated that the building programme for by Phillips Petroleum is to go ahead. The field, which contains this would be two years behind the more than 1 trillion cu ft of gas will start producing late next year. Phil-lips said that most of the work for tracts in June next year for one sta-tion with two 900 MW units. There

■ TRADE union membership fell by 278,000 to 10.7m in 1985, 19 per cent below the peak of 13.2m members in 1979, according to Depart only in 1991, with another year af-ter that before full loading.

ment of Employment figures. ■ GREATER exchange of teachers and students between Britain and Japan is recommended by the UK-Japan 2000 Group, a informal dis-

The group is also pushing for lower air fares between the two counand seeking government backing for a study on joint re-

Mr Patrick Jenkin, chairman of the British side, said relations between the two countries were "very slender", while relations between Japan and West Europe were "not

TOURISM appears to be recovering from the slump in overseas visitors to Britain caused by fears of international terrorism. The tourist trade improved sharply in the closexpected that 1986 will be the second best year on record.

In the first 11 months of the year, overseas visitors are estimated to have spent more than £5bn in the UK, a fall of 2 per cent compared with the first 11 months of 1985.

Britain's flexible labour force expands by 16%

BY CHARLES LEADBEATER

BRITAIN'S growing army of part- tween 1981 and 1985 to 15.52m, a detimers, temporary workers, home-cline of 6 per cent, while the num-workers and the self-employed - ber of flexible workers grew by - expanded by 16 per cent between 1981 and 1985, according to official figures released yesterday. These workers accounted for

Department said in issuing the first permanent and flexible workforces. The study, which provides the most comprehensive picture yet of the changing shape of the work-

force, concludes: "The importance of this flexible sector has clearly been underestimated." It is based on an analysis of the 1985 Labour Force Survey. Employers have made use of the

trend towards greater flexibility to to fluctuating demand and save on non-wage costs such as sick pay, pensions and holiday pay,
The flexible workforce has grown from 30 per cent of those in employ-

ment in 1981, to 34 per cent four years later. The number of full-time permanent employees fell by 1.02m be-

Concern at

slow pace

for power

By Nick Garnett

plant work

POWER PLANT manufacturers

have been told by the Central Elec-

The timetable for design, procurement and manufacture, how ever, is longer than many compa

nies had expected. Production facilities which are at the momen grossly underloaded will not receive

work on the shopfloor until the end

The companies have been told

The CEGB will place design con-

will be no authorisation to proceed

with procurement or manufacture

As it takes at least a year from

this phase to production, manufa

turing will get under way in earnest

The long phase between placing

design contracts and approval for

manufacturing is believed to result from the CEGB's concern that there

should be no significant design

Mr Bob Davidson, managing di-

rector of GEC Turbine Generators said yesterday that the length of

the pre-manufacturing phase for

the coal-fired station meant that a

quick decision to go ahead with building a second Sizewell nuclear

Northern Engineering Industries

(NEI), which is not involved to any

substantial extent in work on Size

well and which has just been beat-

en by GEC in a bid to lead a consortium hoping to build the Rihand 2 station in India, has been in a vul-nerable employment position. Some of its factories have little work.

NEI has interests - along with

GEC - in a possible power station contract at Yuchang , China and in

the proposed Akkuyu station in

station was vital.

changes during construction.

of 1990 at the earliest.

until December 1989.

the so-called "flexible" labour force 1.15m to 8.12m, a growth of 16 per cent

Just over 96 per cent of the fall in full-time jobs occurred between 1981 and 1983, while 72 per ceNt of 8.1m or 34 per cent of those in em-ployment by 1985, the Employment tween 1983 and 1985.

Over 60 per cent of flexible workers are female. While the number of female full-time workers grew by 55,000 between 1983 and 1985, to 4.8m, they were for the first time unbered by the 5m female However, the male flexible workforce grew by 21 per cent in the four years to 1985, to stand at 3m, com-

pared with a 13 per cent growth in the female flexible workforce. Much of the growth in flexible working is due to a dramatic rise in temporary work. In the four years to 1985, the number of temporary workers rose by 700,000 to 1.31m, with relatively large increases in the number of men engaged in tem-

One quarter of the men and half of the women in work are flexible

GKN CHIEF PARTLY BLAMES EUROPEAN SHORTFALL ON JAPANESE

Car industry 'has 3.5m overcapacity'

BY JOHN GRIFFITHS

group GKN told an all-party committee of MPs yesterday.

This is about a one-third increase on estimates made about two years ago by Ford, among others, and compares with estimated West European car output last year of about 11m units

The over-capacity increase was due in part to inroads by Japanese vehicle makers, Mr Roy Roberts told the House of Commons Select Committee on Trade and Industry. However, he said the presence of Japanese production plants in the UK such as that of Nissan's would

now has over-capacity of about 3.5m the base from which the Japanese units a year, the group managing exported cars elsewhere in Western director of the British components Europe.

Acknowledging that UK components and vehicle makers were mostly uncompetitive internationally in 1979-80, he said that GKN is now at the point where we are internationally competitive on price and quality."

And far from fearing Japanese competition, GKN could now produce components in the UK at Japanese-landed prices or below, said Mr Roberts. So as long as the com-panies were successful, "we don't care if it's Martians building here."

see a very dismal future for the UK truck industry."

He also said that if the Government were to abolish the 10 per ing plants giving GKN a credibility cent car tax, levied in addition to among that country's vehicle mak-VAT, a 2.5m a year car market ers it would not otherwise have had, might be created, which was the said Mr Roberts. size needed for a broadly viable in-

He said that while it had become necessary to have components ate extra business for the UK complants in the country where customers were actually producing vehi-cles using GKN components, this year development life. GKN itself However, Mr Roberts was critical had not necessarily harmed GKN's

THE West European car industry ponents industry if the UK became notably its handling of General Mo- GKN's exports from the UK had tors' attempt, anandoned early last increased by 28 per cent between year, to buy Leyland Trucks and 1980 and 1985, with most of the in-Land Rover. As a result, he said: "I crease coming in countries where GKN had also set up manufacturing plants.

It was a case of the manufactur

He rejected suggestions that the slide in sterling against most Eurocurrencies should lead to immediponents industry, on the grounds that new vehicles had a five to 10

ports cash By Kevin Brown THE LEGALITY of Government grants of more than £400m to the

to test

Brussels

legality of

ing investigated by the European Mr John Moore, the Transport Secretary, said yesterday that further payments had been barred while the Commission investigated whether the grants breached the competition provisions of the Treaty of Rome.

ports of Liverpool and London is be-

The immediate effect is to block severance payments to 400 Liver-pool dockers who had applied to the Mersey Docks and Harbour Compa ny for voluntary redundancy.

The company has suspended its redundancy scheme until the result of the Commission inquiry is known. More than 4,000 workers have left the Liverpool docks under

the scheme since 1981. The Government has been make ing payments to London since 1979 and Liverpool since 1981 to finance major reductions in manpower caused by shifts in the pattern of seaborne trade.

Whitehall has until the end of this month to justify the scheme, after which the Commission will rule on whether competition between European ports is being distorted.

Rover hopes for export-led recovery

ROVER GROUP, the state-owned

prospect of an export-led recovery in which Austin Rover, the group's volume subsidiary, would 150 000 cars overseas in 1987. Last year, its emorts were a record

ROVER GROUP, the state-owned He said the group's domestic both Dal Trucks, of the Nether-curred a first-half trading loss last car and truck manufacturer, is looking forward to a year "better than showing signs of improvement, the Foden truck company.

He said the group's domestic both Dal Trucks, of the Nether-curred a first-half trading loss last lands, and Paccar, the US parent of year of £60m.

Mr Day disclosed that he had per-1986 in almost every respect," its chairman said yesterday.

Mr Graham Day held out the per cent at the end of last week afon Austin Rover and on Land ter falling below 16 per cent last Rover, which the Government has

Mr Day expressed the hope of a for at least two years. decision on the future of Leyland Trucks "within 60 days." He said

said will not be considered for sale

discussions were continuing with £400m in Austin Rover, which in-trend for long-term pay deals.

sonally intervened to reprieve the Mini - the 28-year-old model that had been due to cease production in

has offered hourly-paid employees Rover is believed to be seeking a fresh two-year pay and conditions further government investment of deal - confirming the industry-wide

-MRAIN - BERMUDA - CAYMAN ISLANDS - GENEVA - HONG KONG - LONDON - LOS ANGELES - MADRID - MELBOURNE - MILAN - MONACO - NEW 12 · SÃO PAULO · SINGAPORE · TOKYO · ZÜRICH · BAHRAIN · BERMUDA · CAYMAN ISLANDS · GENEVA · HONG KONG · LONDON · LOS ANGELES · MADRID · M. FRMUDA 12 SIN SIN : WYORK-AN MON CO PAIN BERMUDA C AIN BERMUDA YORK . SE "INGAPO PAULS MONACY TOPK - SA ZÜRI ZÜRICI NEW YPE-TOKE MISLAND A TELBOURH ILAN **JON/** HON SAN SELBOURN AYMAN D ONACCA 20RH 3 MAC PAUL **WALL** RIONI CANDINA/IAN BANK GROUP PLC - SCANDINA/IAN HOUSE - 2/6 CANNON STREET - LONDON EC4M 6XX - TELEPHONE DT-236 6090 - SCANDINA/IAN BANK GROUP

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ISSUED BY MORGAN GRENFELL & CO. LIMITED ON BEHALF OF SCANDINAVIAN BANK GROUP pic

Joint steel venture to make 600 redundant

joint venture company formed last in aircraft engines. It has been exyear by the British Steel Corpora-porting an increasing amount of tion and the private steel sector is to shed 600 jobs at its Stockbridge steep downturn in North Sea oil acplant near Sheffield, Yorkshire.

The company, which produces high quality steels for the automo- British Rail Engineering is bringtive, aerospace and energy indus- ing forward 350 previously an tries blamed the pressure on steel nounced redundancies at its Donprices caused by competition in ex- caster works because of a quicker

It told union officials that it had maintenance requirements. to reduce its cost base in order to The redundancies are part of a fund investment in new equipment package announced last year under

vital to it remaining competitive. which up to 5,000 workers will lose Stocksbridge produces special their jobs by March 1989, when the carbon and alloy steels for use in workforce will total 17,000, comcomponents such as car engine cyl- pared with 35,600 in 1981.

UNITED ENGINEERING Steels, a inder heads and transmissions, and production partly because of the tivities and the relative weakness of the British vehicle industry.

than expected rundown in BR

STAYING IN LYON?

Complimentary copies of the Financial Times are now available to guests staying at the following hotels:

HOTEL DES ARTISTES LYON-FRANTEL LYON GRAND HOTEL CONCORDE LYON HOTEL LE ROOSEVELT · HOTEL SOFITEL LYON

Scottish Textiles

After a severe shock several years ago, some sectors of the Scottish textiles industry are showing clear evidence of recovery, as James Buxton reports here.

Encouraging signs

good name and footbolds in ding to cope with extra demand many foreign markets, almost that is partly the consequence exclusively at the upper end of of global changes in fashion and

That, unfortunately, often was in the recent past cause for complacency. But the recession at the beginning of the decade gave the industry a severe shock Many weaker companies disappeared. There was a drop in overall output from which the textile industry only the result of better marketing of Scottish products, and Japan.

Although the jute-spinning and weaving industry based on pundee barely survives, several former jute companies.

Since then, however, there have been some important developments. These include: • A substantial improvement in productivity: output per head rose 26 per cent in the industry as a whole between 1979 and

• A stepping up of investment in new electronically-controlled machinery, and, more recently, computer-aided design. In the knitwear industry some companies are installing new manufacturing constalling manufacturing capacity. over and companies become new more receptive to changing con-lower

which has been successful in market, and lay with improved the wollen sector, and is leading quality, targeting of export marto a more concerted approach to

where bright spots are far from plentiful, the Scottish textile industry presents a rather encouraging picture.

For a start, Scottish products in the fields of both woollen cloth and knitwear have both a respectively and footbalds in direct investments to be achieved direct investments in the effect of these changes direct investments in a way from the styles and patterns that led to it being too in a position requirements?

In at least one

in overall output from which the made a transition to polypropytextile industry only recently lene and Dundee is the centre of recovered, and between 1979 the UK polypropylene indusand 1985 employment dropped from about 110,000 to less than 70,000.

fraction of the labour force that once worked in jute.

But the picture is not uniformly bright. A report in the latest Scottish Economic Bulletin, a government publication, says that the overall level of investment "remains fairly low" and the introduction of new technology "appears to be restricted to a small number of the larger companies." the larger companies."
The report said that there was

more investment in the higher quality sectors and that "some manufacturing capacity.

Something approaching a well developed investment well developed investment strategy." But in the higher volgeneration of designers takes new sectors the returns from over and companies become new technologies would be

tastes.

The report suggested that the attempt to achieve best prospects for the industry unity in the industry, were at the higher end of the

to be achieved either through direct investment in new capac-

To what extent is the industry in a position to meet these

requirements?

In at least one area it seems to have a very sound foundation: training. The Scottish College of Textiles at Galashiels trains students in all aspects of the industry, usually through "sandwich" courses. It is particularly strong in training young designers and has developed its own computer-aided design system for woven textiles.

There are six to 10 applicants

There are six to 10 applicants for every place on the textile design courses at Galashiels in the borders, and Scotland exports textile designers not just to England but to Italy and elsewhere in Europe.

But Mr Cyril Furniss, the principal, says that the college could fill 30 to 50 per cent more places on its textile technology and clothing studies courses, and still be sure of finding jobs for the eventual graduates in running textile manufacturing companies. A shortage of textile industry technicians could become a serious constraint.

The boldest attempt so far to effect "corporate restructuring" came early last year when Dawson International, which has a leading position in the knitwear market and operates in many other sectors, made a bid to merge with the much larger Glasgow-based Coats Patons, whose strength is in ger Glasgow-based Coats Patons, whose strength is in thread it was supposed to be an

amicable arrangement which could have resulted in Dawson

for the recent Arab Summit meeting in Abu Dhabi. The red carpet was for the royal suite at the



▲ CARPET for a royal suite: A prestigious £350,000 order for 10,500 square metres of wool/nylon Wilton was completed by **BMK of Kilmarnock**

Intercontinental Hotel where six heads of

state met

But suddenly and totally without warning, Coats Patons
decided to accept a rival offer
from the much larger English
company Vantona Viyella to
create a conglomerate called
Coats Viyella. Dawson pulled
back, its pride hurt. The chance
of creating what Mr Ronald Miller, chairman of Dawson International, calls "a Scottish IRM Scottish knitwear industry, the



Quality knitwear

In demand worldwide

THE SCOTTISH knitwear industry is one of the few sectors of Scottish manufacturing industry that is expanding. As knit-wear becomes increasingly popular and acceptable wear pecomes increasingly popular and acceptable worldwide for both leisure and formal wear, the demand for the quality product is increasing and Scotland is getting its share for what is its speciality.

The trend of rising demand is

national, calls "a Scottish IRM Scottish knitwear industry, the of textiles" was lost and Coats directors note: "Due to capacity Patons ceased to be a Scottish restraints, the branded knitrestraints, the branded init-wear companies were unable to increase their volume of sales."

As a result, it goes on, three Dawson companies—Pringle of Scotland, J. and D. McGeorge, and Glenmac Enityear—are building new plants, increasing capacity and installing adv

anced new machinery.
Last year, however, the industry suffered a serious downturn as a result of the Libyan bomknitwesr home with them. But the industry is confident that the trend of rising demand will

The small town of Hawick, on the River Teviot in Rox-burghshire, is the heart of the Scottish knitwear industry. Though there are only 16,000 people in Hawick, 41 per cent of employment is in knitwear and clothing and there are nearly as Association as there are of the Scottish Knitwear Association,

Braemar, two companies which share managing directors and account for half Dawson Inter-national's branded knitwear of knitwear makers in Ayrshire sales. But there are also such and in the Stirling area.

Scottish textiles production All Textiles Woollen & Worsted 107.6 119.7 Cotton; Silk spi 89.5 92.3 89.4 181.2 114.9 112.8 42.0 35.6 31.8 Textile finishing 72.3 Carpets 76.1 77.5 \$8.2 81.1 87.5 Other Textiles 94.0



companies as Glenmac and, outside the Dawson group, Lyle and Scott, Peter Scott, and Hogg of Hawick, which belongs to the Italian casual clothing giant,

Many of the other quality-knitwear manufacturers are also based in the borders—some in Galashiels, though this is pri-marily a centre of weaving and spinning, and a number, includ-ing J and D McGeorge (also part of Dawson), in Dumfries. There

According to Mr Archie Purves, secretary of the Hawick Knitwear Manufacturers Aniwear
Association, Scottish knitwear
sales were £141m in 1985, of
which £57.6mwas exported. Of
the total output nearly a third
(£50m) was accounted for by
Dawson International, whose
total sales in the year to March
\$1 1986 were £285.2m.

At Pringle, the managing director, Mr Graham Hayward, says that the company has been spending £Im a year on capital equipment over the past few miller, the company's chairman. At Pringle, the managing director, Mr Graham Hayward, says that the company has been spending £1m a year on capital

years to get away from "the very rarified atmosphere" caused by capacity being short when the company could not meet demand. Over the next five years Pringle will be spending £12m, partly on equipment and partly on the creation of a new plant at Arbroath in Tayside

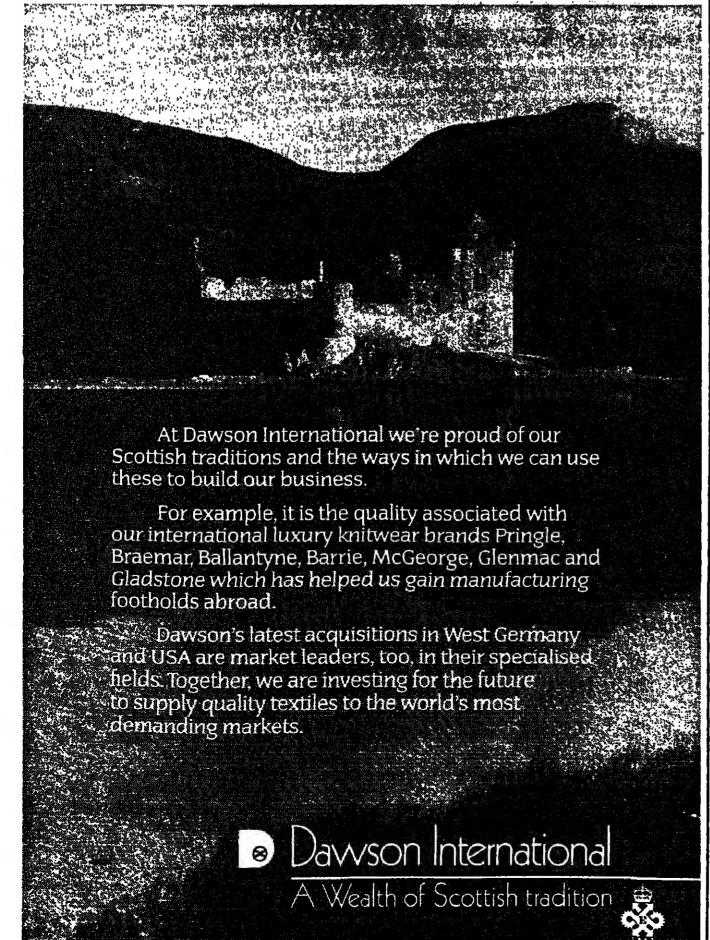
region. The plant at Arbroath, a £8m The plant at Arroath, a zom project, will eventually employ more than 500 people (the company currently has a payroll of 1,600). The move away from the borders—where Pringle's five other plants are located—is dictated largely by the fact that the small border towns no longer have sufficient labour to allow much expansion.

much expansion.
The acquisition of new knit-ting equipment from both West Germany and Japan has been matched by a big training prog-ramme and, very recently, by the purchase of computer-aided design equipment. "It enables the designer to experiment with 'what-if' situations and colour eombinations that he might never have dreamed of," says Mr Hayward. The computer will also make a disc which tells the machine how to make the

Pringle is now making more complex garments—and not just sweaters and cardigans—than change but we think we inspired it by making the designs and getting the machines that says Mr Hayward. Pringle, whose ex-factory o

put in 1986 was £38m, sells its products in 50 countries, with EEC, and the Far East the main

Though Dawson International appears to have many of the characteristics of a vertically-integrated knitwear manufacturer, with its own yarn spin-ners as well as knitting com-panies, the company's management policy is to give sub-sidiaries considerable autor-omy. Only 19 people work at the Dawson International's



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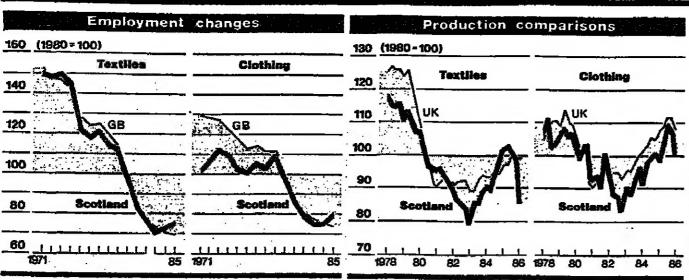


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SCOTTISH TEXTILES 2



Woollen products

A good name and image

SCOTLAND'S WOOLLEN indus-try is one of the strengths of the but could also be a recipe for try is one of the strengths of the country's textile industry. It has

of Scotland's manufacturers of woollen yarn, cloth and accessories, such as rugs and scarves. Under this broad heading there also come such well-known Scottish products as tweed and

The Scottish Woollen Industry, an association which was formed in 1984 to co-ordinate and promote the industry, accounts for production which was worth about £106m in 1985. But that excludes two major companies which chose not to join the association.

It also leaves out the Harris Tweed industry which, although in the same industry, leads a very separate existence, since it is confined by the strict rules of the trade mark to the linked islands of Harris and Lewis. Production, which reached 5m yards (worth about £20m) in 1986 is at a peak, and the industry, having undergone a small revolution in design and improved its marketing, is find-ing it difficult to satisfy demand.

Mr Fergus Wood, the enthusiastic secretary of the Scottish Woollen Industry, reckons that the entire sector (not just his own association)
has a turnover of roughly £200m.
The companies, dotted all over
Scotland but with an inevitable concentration in Galashiels, Selkirk, Hawick and Langholm in the borders, employ about 5,000 people, and only two com-panies on its membership roil, Cromble, the Aberdeen cloth-makers who are part of the Illingworth, Morris group, and Reid and Taylor of Langholm, employ more than 200 people. The average company in the

industry has a payroll of just 75. The industry is now beginning to enjoy the fruits of a period of rejuvenation which followed some difficult years at the beginning of the 1980s. The Scot-tish Development Agency has helped the industry to improve its marketing and export promo-tion, and bas also encouraged the members of the industry to cooperate more closely.

The industry has had to realise that the traditional activity of the Scottish cloth manufacturers as makers of so-called "bullet proof" Tweed and of suits that last a quarter of a century may give it a solid

country's textile industry. It has a good name and image, it constants a good name and image, it constants primarily on the strengthen its already sound higher end of the market and at least 70 per cent of its output is more crucially it has had to pay exported.

The woollen industry consists of Scotland's manufacturers of

reflect the light and texture of Scotland," says Mr Wood.

The result is to be seen in—for West Germany, Switzerland and example—the latest worsted Austria between them took 10 patterns of Crombie, which with their pinks, mauves and pale blues, convey their Scottishness more in their sophistication motional campaign aimed at them in traditional styles in Japanese stores the woollen

their pinks, mauves and pale blues, convey their Scottishness more attention to design and to meeting retailers' needs.

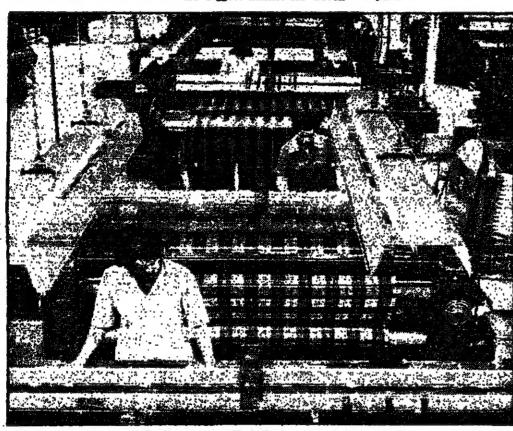
"A designer used to be in his fortles, having trained as a technician, not as a creative designer," says Mr Wood. "He looked out of his window onto a river, since almost all mills are sited on the rivers they once drew their power from. He never tramped the streets."

But in the past three years, he says, that has all changed.

"The designer today is likely to be female, to travel the world and to work closely with customers," he adds. The new graduates, many of them from the Scottish College of Textiles at Galashiels and others from Scotland's four art colleges, are "totally untrammelled."

"We don't have the sunshlae of the Italians but our colours of the lightly and innovation." Designers such as Gorgio fairler 30 per cent in 1985 and are thought to have increased by a further 30 per cent in 1985. In Japanese stores, the woollen industry's sales to Japan rose by further word for its "versatility and innovation." Designers such as Gorgio Armani and Gianni Versace use Scottish woollen industry sales to Japan rose by further days in traditional styles. In 1985 crombie received the Future award for its "versatility and innovation." Designers such as Gorgio days in their designs.

The Scottish woollen industry is an electron optional compaign aimed at Japanese stores, the woollen industry's sales to Japan rose by further 30 per cent in 1985 and are thought to have increased by a further 30 per cent in 1985. In 1985, in the pattern of its "versatility and innovation." Designers such as Gorgio further 30 per cent in 1985. In 1985, in the pattern of its "versatility and innovation." Designers such as Gorgio further 30 per cent in 1985 and are thought to have increased by a further 30 per cent in 1985. In 1985, in the such representation. The same industry's sales to Japanese stores, the woollen industry's sales to Japanese stores. The shought to have increased by a further 30 per cent in 1985. In



The strong identity of the Scottish textile industry is a valuable asset in promoting its

Synthetic fibres sector

Diversity brings success

THE FALL of Dundee as the centre of a large industry for processing juie is yet another facet of Scotland's industrial decline. But while the remaining jute industry is now fighting against a new threat, some of ing jute industry is now lighting against a new threat, some of the jute manufacturers who moved into synthetic fibres are thriving, and Dundee has become probably the major centre of polypropylene manufacturing in Europe.

The jute industry in Dundee and other towns in Tayside was still employing 19 000 people in

still employing 19,000 people in 1960, and 13,000 in 1970, when raw jute imports from Bang-ladesh amounted to more than 80,000 tonnes. But in 1985 imports were down to 14,000 tonnes, and now employment stands at only 1,200. There is

Association at about \$20m, or which £8m is exported.

Over the past two years, Indian manufacturers have staged what amounts to an assault on the British scrim market, charging prices with which the Dundee industry says

— a Lion marges in the On— — and yarn which is used for backing for quality carpets, of which output is estimated by Mr David Borrie of the Jute Spin-ners—and Manufactures' ners and Manufactures' agree Association at about £20m, of 1983.

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only one company still engaged in jute weaving — Don Brothers
Buist — and just six in spinning.
As Indian companies stepped up their exports of jute fabric, ithe Dundee industry was job losses — and a reduced to just two products— there could next be the so-called Dundee specialities. These are scrim for roofing felt — a £15m market in the UK ment of Trade to improve of finich as a finite confirmation of the spin of the sp With fears mounting in Dun-dee that companies there could be driven out of this market altogether — with consequent job losses — and anxieties that there could next be an Indian

there could next be an indian assault on the yarn market, Dundee is appealing to the Department of Trade to impose quotas on imports of finished jute products from India. Export of these products used to be limited under the multi-fibre agreement which expired in We had been bumping along

the bottom — now we've fallen into an air pocket," explains Mr Borrie, mixing his metaphors.

In synthetic fibres, however, the situation looks rather brighter. Several companies made a successful transition from jute into polypropylene, investing about 250m over the past few years. About 2,000 people work in the industry in the whole of the UK, of whom 1,500 are in the Dundee area.
Amoco UK, the world market leader, has a subsidiary in Dundee — the former H. and A.

Shell Chemicals last year took over Don Brothers, Buist, which is based in Forfar. Its subsidiary. Don and Low, is now one of the largest polypropylene extrusion and weaving companies in Europe and Britain's biggest supplier of primary and secondary backings for the carpet industry. With narrow operating margins, production efficiency is vital, and Don Brothers, Buist has a reputation for it in other parts of the textile industry.

Among the company's other products are geotextiles—sheets of fabric which are used in the construction of motorways, railways, embankments, harbours and so on.

of over £51m in 1985. In the

agreed takeover by Shell the company was valued at £23m. Shell had long been a major supplier of polymer to Don Brothers, Buist and the company's management said it favoured the takeover because it believed it could get more investment funds from a strong parent company.

Low and Bonar is anothe

Tayside company whose for-tunes were originally founded on jute but which now operates profitably in packaging, plas-tics, electronics and textiles. The company, which made pre-tax profits of £13m on sales of £175m in 1985, concentrates on specialised high-technology niches in the textile industry. It finally moved out of jute and flax in 1975 but by then was already involved in synthetics. At Dundee, Bonar Textiles now makes specialised polypropylene yarns for carpet backing, and is also expanding its sales— especially to local authorities— of artificial grass products for all-weather sports pitches. It is beginning to penetrate the European market and has won an important order from West

Germany. Bonar Textiles has also gone into non-woven textiles which Mr Newlyn Jones, chief executive of th textiles division, say "represent the way forward into the next century for the western world" and for which the market is growing at 15 per cent a year.

To get into the field, Low and Bonar bought control of a com-pany in the US-now called Bonar Fabrics-and is transferring its "unique" technology to Dundee where it is building a new £5m factory which will be the first of its kind in Europe. It will concentrate on floppy disc linings and surgical products. Low and Bonar does not intend to go into the cheaper end of the Don Brothers, Buist had sales non-woven market in fields such as linings for diapers.

Carpet industry

Slimmer now but profitable

AT THE beginning of the 1980s sensitive than the stockist and the Scottish carpet industry was likely to accept good new design struck by a series of disasters which threatened to obliterate

Several small companies closed. Of the big companies, BMK called in the receiver in late 1881. A financial rescue operation had to be mounted for Stoddard Holdings in 1982 with the help of the Scottish Development Agency. Scotland's output of carpets fell by almost 60 per cent between 1978 and 1982 and 1982.

Now, more than four years later, the Scottish carpet industry is slimmer but profitable and is seeing the benefits of large-scale restructuring and investment in the surviving carpet manufacturers—BMK, Stod-dard and Kingmead, a small subsidiary of Stoddard which it sold off to Richards, a yaru-spin-

ning concern, last year. BMK and Stoddard are symptoms of the revival of British carpet manufacturers after the destruction they suffered as a result of the influx of low-priced Belgian carpets at the begin-ning of the decade.

Belgian companies still hold about 40 per cent of the increasingly mature UK carpet

Stoddard ran up heavy losses after it merged with Templeton Carpets in 1980. Following the capital restructuring of 1982, it drastically re-organised its pro-duction: its machines were upgraded and a computerised enables the company to supply a carpet within 48 hours of its being ordered.

The company, which is based at Elders, in Renfrewshire, strengthened its design team and, in the words of Mr Charles Maclean, "let them spill over into marketing"—so that the designers strongly influence the choice of the products which are launched. Last year Stod-dard Carpets won a Design Council award, the first for 15 ears by the carpet industry.

lean calls the "Jaguar and topness is divided about half and
end of the Fords" part of the
end of the Fords" part of the
carpet market. It does not produce unbranded carpets to be
sold under other names in the
exports. The biggest market is
big carpet multiples such as
the US, but orders have been
Allied (though it does displaying the property and the property). Allied (though it does display its won all over the world, includ-carpets in the multiple stores). In the Middle East and Hong Rather, it prefers to get as close to its customers as possible relations success by supplying rough other retailers. the carpet for last year's Royal
The consumer is less price Wedding in Westminster Abbey. through other retailers.

likely to accept good new design quicker," says Mr Maclean. The company, which employs about 700 people in carpet mak-ing, is also expanding in the contract carpet market, which consists of one-off designs and orders for new office blocks, hotels, cruise ships and so on. Whereas the UK domestic market is rising 5 per cent a year, the contract market is growing by 15 per cent but it is more demanding in terms of sales effort, investment in plant and design. Stoddard supplied the carpets for the new Lloyd's

Stoddard Holdings had sales of £37.1m in the year to March 31 1986. Operating profits were £1.186m and after heavy interest charges and paying a dividend the net result was a loss of £187,000. But in the six months to September 30 with interest charges sharply down, the com pany made a net profit of £123,000—its first substantial profit for six years. BMK, Scotland's other leading

building.

carpet manufacturer, has had an even more dramatic resuscitation than Stoddard. When the company, which was employing 1,500 people at Kilmarnock, went into receivership in 1981, it was bought for only £4m by Mr John Logue, an English businessman with no previous experience of carpets. previous experience of carpets.
Since then the company has been rebuilt almost from scratch, with major investment in machinery and buildings. As at Stoddard, the design team has been greatly strengthened and sales and marketing

improved.
Since Mr Logue moved in turnover has almost doubled to about £20m, and the number of employees has risen from the 187 to 487. Mr Logue, its sole shareholder, says that BMK should increase its profits to about £1m in the current finanabout £1m in the current financial year.

Mr Logue says that BMK is in the lower middle to the top end Stoddard is in what Mr Mac- of the carpet market. Its busi-



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- ಪ್ರಾಂತಿಯ-ಅವರ ಕಡೆ: ತಹಿತಾಂದ ಕಿಡಲ designs em factory in wa as think we were e michies to put the pair nos ex lating

Seign intention to the control of a second con company in part in par

JAPANESE INDUSTRY is well known for its imitative abilities. More recently, it has won notoriety for its intractable stance in the face of the West's commercial grievances. So John James, managing director of Laura Ashley, the UK textiles and home furnishings retailer, was understandabis delighted when recent action against a Japanese "look-alike" company resulted in a quick victory.

The group's global success with its distinctive English styles has inevitably attracted imitators of all kinds. All those detected come under immediate and heavy legal fire. Peter Phillips, finance director, budgets £250,000 a year for investigation and legal costs.

The company's Welsh headquarters was alerted to prob-lems in Japan early last year Ashley as "the most extensive when investigations of a custo-mar's inquire shape a Laura flict of its bind our group has

five such shops, owned by a Moreton Mori Japanese company, Check Out, and destroy and trading as Lynda Usher logues, and pay (the name was licensed from a Laura Ashley. Scottish knitwear manufac-turer) and Moreton Morrell.

try: "It is unusual... for even ministry was the key element, the most thorough imitator to We know the department of

His charge list included:

O "Catalogues closely based on our own." The 23 line preface in one was a word-for-word "lift" from one of Laura

Moreton Morrell , is an obvious copy of our trade mark,

consisting of an oval and a blackberry sprig motif which is a mirror image of the emblem used in our logo design."

Laura Ashley had noted other year the company spends on the similarities: in shop design and routine pursuit of imitators, decoration, for example.

a copy to the British ambassador in Tokyo-was only one shot in Trade protection

to take a more commercially realistic view of attempts to plagiarise than their UK counter-Laura Ashley's deep pockets and long arms

Christopher Parkes reports that vigilance is costly for the UK retailer

Miti officials to discuss the case instituted court proceedings, find complaints with the Fair Trade Commission and told the local press and trade associations what was going on.

when investigations of a customer's inquiry about a Laura Ashley "sister shop "in Tokyo prompted the observation from one of its employees there that the shop in question might lead to "confusion."

Further searching turned up five such shops, qwned by a Japanese company, Check Out, and trading as Lynda Usher logues and nay compensation to logues, and pay compensation to

James is still unsure exactly how the out-of-court victory was Check Out's operations bore several striking similarities to Laura Ashley's merchandising and product styles.

As James wrote to Michio Watanabe, then Minister of proposes: "It is more likely that International Trade and Industry." It is unusually for even ministry was the key element. copy as many aspects of our trade and industry played a business as Check Out . . . has evidently done with Laura Ashventure partner (Japanese United Stores) may have played a more active part than was apparent at the time.

"In any event, we trust we have established a precedent which might serve as an effective deterrent to others."

Ashley's.

• "Several of the garments featured . . . are direct copies of our own styles, and using very similar fabric patterns."

• "The trading symbol used by Moreton Moretin Moretin Tokyolism of the property of the pro

They are positively dismayed by the mounting cost of defend-ing Laura Ashley's trademarks and copyright in every corner of the world. As well as the £250,000 a

counterfeiters and assorted pirates, it allows an extra copy to the British ambassador £50,000 for each large-scale Tokyo—was only one shot in legal action. This is a staggerthe scatter-gun tactics used in ing amount when compared the asseult. At the same time with other international com-Japanese lawyers sent out panies. Rowntree-Mackintosh, swift settlement in Japan, the "cease and desist" warnings to for example, which has annual 1986 litigation season was pro-Check Out and other shops sales almost 10 times those of ceeding well until the High handling their products, met Laura Ashley's £182m, budgets Court considered Laura Ashley's



writ against Coloroll, an aggres-

sive British competitor in textiles and home furnishings.

sprigs.

Results of subliminal recogni

the Esso symbol in some ca

Net result for Laura Ashley

was a nasty blot on its successful record, advice not to appeal, another £50,000 lawyers' bill, as yet unknown defendants'

costs—and considerable cause

for concern over the future security of its trade marks and

£500.000 a year for trademark protection worldwide. Laura Ashley has a firm policy of pursuing any company or individual which it feels is attempting to exploit its success by copying its style or products. Phillips says he sometimes feels sorry for the company's targets. Still, the Laura Ashley "image" of up-market, rural English romanticism is one of the company's most valuable assets, and, as such, it must be

One cause for regret is that there are few practicable means of preventing Indian and other Asian textile printers from copying and exporting Laura Ashley designs. Consequently, the lawyers' letters sometimes draw as the decrease of rales. drop on the doormats of relatively small manufacturers and retailers which may have hought fabrics in good faith but which have subsequently heen obliged to hear the cost of destroying made-up goods and stocks or paying Laura Ashley compensation.

Last year, North America yielded a tally of ten successful interventions against com-

ful interventions against com-panies, ranging from a crockery porter to a company making bath mats.

Together with the gratifyingly swift settlement in Japan, the 1986 litigation season was pro-

of the transatlantic legal system, industry in the US is clearly harassed by pirates to much the same extent as companies in Britain. The US Anti-Counterfeiting Group, set up about five years ago, has grown rapidly and now has about 120 Its British counterpart, started at about the same time to deal mainly with trade mark problems, was launched with 18 members. It now boasts 70, according to group secretary Anthea Worsdall. Most prefer to remain anonymous, but the

mix includes many well-known names such as MK Electric, Alfred Dunhill, Lucas and the Wellcome Foundation. The International Chamber of Commerce reckons that counterfeit goods may account for as much as 3 per cent of all world trade. Worsdall's con-servative estimates suggest they cost British industry £100m a year in lost sales, but the true figure, as with the total com-panies spend defending their interests, is anyone's gue

across the Atlantic. "Initial

opinion is very encouraging," says an internal memorandum. "US courts... may be inclined

parts," says Paul Rew, director of group legal services.

Whatever the relative merits

Meanwhile, the affronted or the defence resources to hand. Laura Ashley is perhaps for-tunate in that it has the means to maintain a worldwide watch on its properties and the funds to support litigation.

Laura Ashley had taken particular exception to the design of the Coloroll symbol which, it alleged, infringed its own familiar oval device with open lettering and flowery Others are less well-placed. There is, for example, the case of Lynda Usher herself. A suctessful, upmarket knitwear de-signer and manufacturer based in Inverness-shire, she became tion tests, which suggested that a glance at the Coloroll mark could lead to confusion with that of Laura Ashley—and even innocently enmeshed in Laura Ashley's Japanese campaign by virtue of a routine trade mark were lost on Mr Justice Whit-ford. Oval borders were "com-monplace," he said, and gave the plaintiffs short shrift. licensing agreement with Check

According to Jeremy Goddin. a lawyer and patent agent, speaking on her behalf, investi-gations which followed "an extremely unpleasant and uncalled-for attack" from Laura Ashley's legal advisers resulted in her "complete exoneration."

the exclusivity of its image.

James and Phillips are equally concerned about Coloroll's plans for the US, Now she herself is confronted with a case in which she has discovered a US retailer selling clothes allegedly made to an exact copy of one of her designs. A legal remedy may be available, but is it accessible where it has recently taken con-trol of Wallmates, a major wall-coverings manufacturer. Laura Ashley has a flourishing busi-ness in North America, and is especially vigorous in protectto a company of Lynda Usher's scale? According to Goddin, a successful challenge in a US ing its trade marks there.

It has already taken legal advice on the position should Coloroll's oval device show up court would cost at least £150,000.

The cost of failure hardly bears thinking about.

Andrews Liver Salts

Putting a panther in the pink

Feona McEwan reports on a fizzy campaign

HOW TO pep up a famous but flagging brand is a problem that can afflict even the most timehonoured products. There is no shortage of established brands, many as old as the cen-tury itself, that have had to seek a "pick-me-up" formula to survive Britain's fast-changing consumer habits. Lucozade, Bovril, Horlicks, Ovaltine and Guinness (draught) are among

Andrews Liver Salts, designed to soothe upset stomachs, may be as familiar as the bathroom cabinet, but after 90 years on the market, sales were falling and it was in danger of growing old along with its ageing and lower-income consumers.

Today it is a different story. After a concerted marketing exercise, including a regional television campaign based on the Pink Panther cartoon character, Andrews has found new fizz. Sales climbed by 40 per cent at the peak of the campaign as a wider audience, including Founger consumers, have discovered it. The company claims to be brand leader in the UK's £13m effervescent antacid market (worth some £44m) with some 49 per cent— its nearest rival is Alka-Seltzer.

Health (part of the US phar-maceutical multinational, Sterling Drug) and, along with other brands like Solpa-deine, Cymalon, Hedex and Baby Wet Ones, forms the core of Sterling's marketing effort for its over-the-counter pro-ducts. Since Sterling considers the product to be a prime brand, why has Andrews not hit upon its new-found popu-

larity before? Part of the reason concerns the company's need to raise its marketing profile in response to the Government's Black List of 1985, which banned doctors' prescription of certain branded medicines. As a result, pharmaceutical

companies with over-the-counter brands are taking a more aggressive marketing stance as is evidenced by the rapid rise in consumer advertising. "We're having to rely on consumer demand rather than sell on the back of pre-scription users." says Andy Nash, marketing director of Sterling Health. Two weeks ago SM was advertising no less than three products on television. This year its total adver-tising spend will be around



sumer profile, was recognised as offering substantial potential growth among younger users. A television promotion—the first for about eight years—was decided upon. But that was not as simple as it may seem. For over-the-counter medicines are subject to restraints, both legal and voluntary.

The only way responsible pharmaceutical companies can sell more of their products is by winning market share at the expense of rival brands. The idea never is to encourage consumers to take more analyssics, for example, but to take Hedex instead of, say, rival Anadin, The IBA's code of advertising practice also dictates that as the Pink Panther is a children's cartoon character, it may not be used to promote a product for adults in an ad screened

before 9 pm. On the face of it, the reason for Andrews' present revival may be due to a larger advertising spend, an intelligent and apt creative solution in the "offcorour "Pink Panther, and some cunning below-the-line market-ing back-up.

Andy Nash is unsure. "To be honest, we're not conite

be honest, we're not quite sure what we've done differently this same objectives, to 'grow' the brand. But in the end it's a mix between science and art And he adds: "If you get it right on television there's nothing to touch it in terms of movement and coverage, but if you get it wrong it can be very expensive." [And Andrews has fluffed it in the past.]

Much of the credit is given

29m (at ratecard levels-"a to the much-loved Pink Panther character which formed the heart of the new campaign. In the commercial he is first seen walking disconsolately, an offcolour shade of green, but a dose of Andrews Salts restores him to his natural hue. Andrews' previous television advertising efforts in the 1970s

did not produce the significant results of the latest campaign. The return to television came about after research into atti-tudes and usage revealed that consumers used the salts differently. To one person it was a laxative, to another a refreshing drink, to another a stomach soother. In all cases, however, the user was feeling off-colour. Hence the Panther.
Irish agency McComells experimented with the Panther in print in both parts of Ireland, and London agency CM Partner. ship developed the idea into

It was the agency's mission to bring the product up to date. The problem, says agency partner Simon Galvin, was that "while Andrews had almost total awareness it was not front The commercial ran in York-

says the company, "exceeded expectations." After taking what it describes as "the tradi-tional Nielsen marketing approach" of test-marketing in one region first, Andrews goes nationwide this year.
For its next trick, the ad
agency has developed a Jonah
and the Whale cartoon. The offcolour whale is seen with Jonah

fishing inside a turbulent stomach. After a dose of salts which spill into the stomach, the whale's normal colour is resumed.

provides the answer

Husky Hawk

TECHNOLOGY



Simple steps to best factory locations

chemicals company, using advanced process technology.
Business has gone well and you want to expand the group's production facilities. The com-pany sells throughout the EEC. particularly importance. In theory, at least, the new plant could be anywhere in Europe, or it might make more sense to expand in the UK.

Such companies must take a let of factors into account, such as availability of skilled labour, wage rates and access to transport systems. After considera-tion of these, the official grants that are on offer frequently tip the balance in favour of a particular area. The problem: how to find out what is avail-

At the last count, there were around 600 financial assistance schemes on offer from governments in the European Com-munity and from EEC institutions (excluding those in Spain and Portugal).

They varied from substantial help to companies to expand in development areas of the EEC to assistance towards paying for consultants' surveys on, for example, the application of new technology to individual

It is possible to write to the country (a single department was a natural development from mergers or restructuring of would almost certainly not Aims, the Unit's first system, capital), export promotion, suffice). But in some countries which gives information on research and development/

YOU ARE the manager of Hazel Duffy examines Euroloc, a database which innovation, and development in a small UK-based specialist Hazel Duffy examines Euroloc, a database which problem areas. gives a quick guide to grants and other financial assistance for companies wishing to expand proassistance for companies wishing to expand pronational and—when available—
regional levels. News items duction facilities within the EEC

> —West Germany, for instance Government support for busi-—the grants available from nesses in Britain, regional government can be
>
> Users of both services include more generous than at the Federal level. Then there are financial incentives offered by institutions of the Community, and loans from the European Investment Bank.

The company also has to re-member that the aid schemes will change. While the basis of some remains the same for years, others are introduced and dropped quite quickly.

It was this veritable maze of information that Professor Revin Allen, at the University of Strathelyde's Centre for the Study of Public Policy, spotted as an ideal business opportunity. With the help of a grant from the European Commis-sion, his team has developed a database which provides con-tinuously up-dated information which can be made available on computers via the telephone system.

Users of both services include management consultants, which have identified a growing market amid the complexity of government assistance for com-panies which want information There can be other changes panies which want unvision panies which a company planning and guidance on the best pos- which a company planning sible aid packages. Local authopansion would want to know, such as the recent decision by such as the recent decision by are subscribers to Euroloc and

A short training course on Euroloc, provided by the Unit,

Euroloc also permits re-trieval of statistics on the relating to financial assistance
— forecasts of total aid available, changes in development
status of an area, for example—

Most countries in the EEC have revised the basis of their regional incentive schemes in the last two to three years. Sometimes, as in Britain, these have involved big changes to payments by two months or regional assistance.

Increasingly, even large com-panies prefer to buy in advice and information rather than go enables users to compare grants on offer at national level, and from more than 100 regions. This can be done through an alphabetical list, with English or foreign title search. But also produces an annual textmore important, it allows book, European Regional In-analysis by aid which gives com-parison of schemes with com-parison of schemes with com-available in English, German. mon objectives—for instance. French and Italian. This is for small firm development, sectoral those wanting detailed informadevelopment, structural adaptation on how to go about sub-tion (schemes to help firms in mitting claims for assistance where the money comes from, the number of schemes turned down by governments, and other such useful advice.

Why bioscience trail led Swedes to India

BY SARA WEBB IN STOCKHOLM

WHAT MAKES a Swedish com-pany set up a biotechnology reearch centre in Bangalore and place an advertisement in the international scientific press aimed specifically at attracting Indian research scientists?

The answer is "because Sweden is too far behind in biosweden is too far behind in bo-technology and we cannot find the right people here," says Professor Sune Rosell, head of research and development at Astra, the Swedish pharmaceu-His advertisement appeared

in the journal Nature and was aimed at researchers in molecuaimed at researchers in molecular biology and recombinant DNA techniques. It attracted about 100 replies. In Sweden, the same advertisement would have probably brought in about 10 applicants, he says.

"There is such a shortage of

"There is such a shortage of the right people in Sweden, it would have emptied the universities," says Prof Rosell.

He noticed that many Indian scientists moved to the US once they had obtained their doctorates in India and found how few research empty. found how few research oppor-tunities in biotechnology there were at home. "We thought it would be an idea to reverse the brain drain by setting up a research centre in India and attracting Indian scientists back to their homeland."

At the same time, the ven-ture gives Astra the chance to cultivate research links with India, with a view to eventually establishing a more powerful presence in the Indian pharmaceuticals market.
With the Astra research

centre in Bangalore, the com-pany hopes to attract "top (centred on products for treat-notch" Indian scientists from ment of ulcers, cardiovascular, American research centres, respiratory, and central nervous Professor Ramachandran of the system diseases), and research University of California and a into tropical diseases, particu-

director of the protein larly those prevalent in India. The centre's most important project—already under way—company, has been appointed director of Astra's Indian research effort.

Larly those prevalent in India.

The centre's most important project—already under way—is to find DNA probes (which are a sort of genetic testing kit) for different kinds of diarrhoes.

The governing board includes a handful of Swedes and, more importantly, several influential Indian scientific names, a move which Astra hopes will find favour with ministries and ease the wheels of bureaucracy. The new research centre will

work on research into DNA techniques, cloning, and protein chemistry — areas which Astra has long wanted to step into but which it has not been able to for want of research expertise in Sweden. "As a pharmaceuticals com-

pany, we need to use biotech-nology methods," says Prof Rosell. The alternative to setting up a research centre was to buy a small biotechnology company in India, but Astra opted for the former strategy and has so far spent about £3m to £4m on the project. Lest year, Astra allocated about 20 per cent of sales, around US\$26m, to research.

The centre has been regis-tered as a society, so under Indian legislation, it cannot act as a commercial organisation. This means that if Astra wants to make use of research results, it will have to pay royalties to the centre. Its long-term aim is to make the centre self-suffcient through royalty payments. The scientists will concentrate on two areas — research

which is closely tied to Astra's

and to design appropriate drugs for their treatment.

Diarrhoez is a major problem in India, especially among children, and the use of DNA probes could help to cut the time taken to identify the underlying cause and help to underlying cause and help to find a suitable treatment more rapidly. Astra is also considering

research into malaria and other parasite diseases. At the same time, company hopes to collaborate with the Indian Institute of Science in much the same way as it does in Sweden where it as it does in Sweden where it is usual for a company to have "adjunct professors." These are paid by the company but spend some of their time teaching in a university and maintaining contacts, especially in related research fields.

Back in Sweden, Astra has links with the universities in Uppsala, Gothenburg and Lund, as well as with the Karolinska Institute in Stockholm. Astra is particularly keen to foster relations with the Indian Institute of Science's department of blochemistry and molecular physics. As well as paying for a new wing for the department, it is giving forces.

department, it is giving financial support to several research projects, "We don't have all the facilities in the Astra research centre whereas the Institute is carrying out basic research in biochemistry and training young scientists that we may later be able to employ," says

This cut why on Stand 7777 at the Which Gonputor? show, NEC, 17-20 Teb '57 Desk-top

publishing addition for IBM

OWNERS of IBM and IBMcompatible personal computers who enviously eyed the ability of Apple Macintosh owners to produce impressive documents using "desk-top publishing" programs such as Pagemaker, need fret no more.

Aldus Corporation, the Seattle, Washington creator of Pagemaker, the top selling desk-top publishing program, has launched a new version to run on IBM-type personal computers (DCa)

(PCs).

The Macintosh version of Pagemaker, which was introduced in July 1985, launched Apple Computer into the desktop publishing market. Combined with Apple's Macintosh and Laserwriter printer, the program enables amateur computer users to produce profesputer users to produce profes-sional quality documents such as newletters, reports and brochures at a fraction of the cost of conventional techniques. According to US industry analysts, Pagemaker is behind the recent boom in Apple Macintosh sales, which Apple says doubled last year. Aldus the sold 50 000 mice of Page. has sold 50,000 copies of Page-maker for the Macintosh, the company claims.

Pagemaker sets up the computer screen as an electronic paste-up board and enables

The PC version af Pagemaker, which will sell in the US for \$695, looks identical to the original with pull-down menus and a graphic user interface just like the Macintosh. The program runs under the Microsoft "windows" environment, which provides the graphic user inter-face. Apple has licensed Micro-soft to use features of the Macintosh screens. The "win-dows" software will be included with Pagemaker for IBM-type

Finns look to make more of barley crop Features include automatic justification, and the ability to change type size and style at

BY DAVID FISHLOCK, SCIENCE EDITOR

FINLAND IS close to commissioning an integrated fermentation complex converting home.

of soya and 12,000 tons of product mix might be 15,000 tons of ethanol and 65,000 tons of ethanol and 65,000 tons of high-protein feedstuffs a grown barley into such commodities as fine starch, barley molasses, ethanol, animal feed-stuffs and carbon dioxide.

Currently - and anomalously the country exports up to 800,000 tons of barley annually,

The "barley refinery" has been designed and built by year.
Alko, of Helsinki, the state alcohol monopoly which is

but needs to import up to Koskenkorva will convert at products 80,000 tons of starch, 80,000 tons of raw sugar, 100,000 tons no waste products. A typical ethanol.

Alko, of Helsinki, the state alcohol monopoly which is alcohol monopoly which is already demonstrating its new technology by converting 50 tons of barley feedstock a day.

Full-scale production at Koskenkorva will convert at ten times this rate, with almost ten times this rate, with almost ethanol.

One key to Alko's success is the way it separates barley starch into two different particle sizes. The higher-quality "A stream" is feed-stock for starch syrups, starch sweeteners and other premium products. The less refined "B stream" is fermented to make ethanol. One key to Alko's success is

PHER LOP

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Whale carea?

Left out in the cold by the Royal Academy

With the Royal Academy now full of several sorts of modern British art, and the talk as much of what has been conspicuously omitted as questionably put in, it is hardly surprising that a number of galleries should choose the moment to give their own favourites an airing. The most open and direct of these exercises is at the new and most welcome Albemarle Gallery, at 18 Albemarle Street, where the inaugural exhibition is indeed a Salon des Refusés (until mid-March). It neatly points to the Academy's sins of omission on several counts: the wrong Camden Townites and Euston Roaders; inadequate abstraction; no Academicians; no Celts. But it is the quality of the individual works themselves that puts the true argument and the gratifying confirmation of the undersung strength in depth of British art in this century. of British art in this century.
William Nicholson, Augustus
John, Jack Yeats, Robert
Bevan, J. D. Fergusson,
Christopher Wood, Alfred
Wallis, John Craxton, William
Scott, Ceri Richards, Euan
Uglow, John Tunnard, Cecil
Stephenson, Alistair Morton,
Jessica Dismoor — these are
only some of the artists well
represented here, each with a
legitimate claim to a proper

As for other galleries, the Rediera is showing new paint-ings and drawings by Karl Weschke (until February 25). His is a mature and idiosyn-cratic expressionism, deceptively simple in its statement and contrast that is so characteristic of him, yet simply and intimation. The drawings, lively and direct as they are, post-war St Ives abstractionists, are perhaps a shade too per-functory, at least for public show; but the major paintings are as strong as ever, especially those of Leda and the Swan, and the Swan in flight.

legitimate claim to a proper

Angela Flowers has a small. strong group of works on paper, paintings and collages by Terry Frost (until the end of this week). All have been made within the next terr was by Terry Frost (until the end of this week). All have been tant show of the paintings that when these works were done made within the past ten years and they show him at his par-



"Boat Race" bowl, designed for Wedgwood in 1938 by Eric Ravilious

inventive fun and formal wit. The scale suits him especially well, allowing him the concen-tration and intensity of colour and contrast that is so charac-Frost is the most inconsistent in the quality of his results, yet his virtue is in the risks he takes, the sense of gleeful impulsiveness about him. When things work for him they work wonderfully well. A careful Frost would hardly be the

artist we know.
- Girapel Fils have an impor-

Davie is represented at the Academy by three works of this period but even so it is splended to have this chance to see so many more of them. Close in intuitive sympathy to the abstract expressionism of Close in intuitive sympathy to of the most untiguing the abstract expressionism of the New York school that was both schools a great disservice to become so dominant an influence on European painting lightly the critical pre-eminence from the middle of the decade, he was nevertheless entirely his Davie's dense, impacted surform man and we are inclined faces, with their dark, rich to forget just how radical and colour like old tapestry and the rough, vigorous, abstracted he was nevertheless entirely his own man and we are inclined to forget just how radical and original a force he was in Britain's post-war art world. The date game, played too obsessively, can be a bore, but

development of expressionist and symbolic abstraction in Europe and America, both strains fed by earlier surrealism and expressionism, is one rough, vigorous, abstracted symbolism of the imagery, were as European as they were

And last there is Eric Ravilious at the Crafts Council Gallery in Lower Regent Street (until March 29). Here the

show is complete, for this small and enchanting reassessment of Ravilious' life's work was put together by the Towner Art Gallery in Eastbourne and has been on tour, coming on to the Crafts Council only by a late arrangement. Ravilious was killed in the war, lost in an alreraft in the Atlantic in 1912 at the age of 39, and it is tempting to suppose that had he survived to a full career his would be a major presence in the Academy show today. Even so, he remains a curlously potent and influential figure in British art, and he does seem to have touched a true nerve in the British sensibility. His work is intimate, with a fine, apparent touracy, for his is a disingenuous art that takes its liberties with deceptive easiness and a straight face. He used water-colour, which the world knows we adore, with a wonderful accomplishment and a natural, unself-conscious decorative flair.

Like any number of artists in those happy, sensible 1930s, he took his chances to spread his talent across several discipline of illustration and applied deuous example and comparison who has emerged at the Academy as an artist of real greatness and international standing. Where Ravilious, perhaps, has suffered in his reputation is in our contradictory response to his preferred scale and medium. Nach after all and medium. Nash after all painted proper oil paintings on proper canvas, which is a serious business, while the water-colour and the drawing and the illustration are all—shall we say—so light-weight. David Jones, Edward Bawden and Edward Ardizzone are all artists who have shared in such patronising approbation, all of them nonetheless true and original in their work. Eric Ravilious too is an artist with a true and personal vision of the world, whose work has real distinction and retains its force if

ing studio. Gwen, who owns a profitable copper business, believes she may become a successful singer; she has made a

The main concern is John's

wish to buy the old Talley house

(prettily designed, inside in Act

Fifth of July/Theatre Royal, Bristol

B. A. Young

his first play about the Talley cerns of the play-a concern

out delay. The hero is significantly named Kenneth Talley Junior, though his father plays no part in the play. So many things refer back I outside in Act 2, by Trevor Coe) and make it into a recordpite the vigorous activity at the Talley place going on before us. demo tape at Nashville, but found the strain of recording too much for her. However. Kenneth's lover, Jed, a talented Kenneth is presented to us as a homosexual who has lost both his legs in Vietnam, yet he has gardener, wants to grow a repairing a wife, June, and a daughter, roduction of the gardens at roduction of the gardens at Sissinghurst, and there is also talk of Kenneth's resuming his Shirley, aged anything between 13 and 20 according to her mood. Staying with the Talleys old profession of teaching. A rather uncommunicative singer, Wes, mostly sits at the side of the stage with his guitar, but blossoms out with what he says is an Eskimo folk tale. are their long-time friends John Landis and his rich, flamboy-ant wife Gwen. They and Ken-neth and June had been an inseparable quartet at Berkeley,

A climax comes when John, who has been making telephone calls all day, makes a final offer for the estate, and Sally, reveal-Aunt Sally once nad an emo-tional moment in the old boat-house that led to her unpopular marriage with Jewish Max Friedman; but Max is dead be-

It is hard to believe that Lamfore the play begins and the Gwen's demo tape has been ford Wilson did not have question where to deposit his bought by Columbia. Everyone a series in mind when he wrote ashes is one of the minor conic is able to settle down in the most peaceable way, though deed be wrote four more with after year. I found the play too fictional

in style, as though an effort had been made to stuff the whole of hours. But it is full of well observed, foul-mouthed American domestic talk that provides generous parts for the players. Kenneth and Jed (Garrick are least well off, both of them kept pretty reserved until the incident where John pushes Kenneth back off his crutches and Jed goes for him with a garden tool. There are good shouting performances by Vincent Marzello and Jenny Lee as John and Gwen, a convincing portrait of the burnt out militant June (who wears a tee shirt emblazoned Women Fight Back) by Elizabeth Richardson, and a sympathetic one of Sally by Jill Graham. I was bewil-dered by Sophie Thompson's Shirley, who seemed neither 13 nor 20 but a good deal more: but I suspect this is the author's doing. Sue Wilson is the

Franz Welser-Möst/Festival Hall

Max Loppert

Franz Welser-Möst, the young more curious than organically vigorous, clean attack from the Austrian conductor, last year came to the aid of the London ments, particularly the storm- Mozart's grander choral move-Philharmonic Orchestra by step-ping in for an ailing Jesus flashing sforzando accents, in- or became mechanical.

Lopez-Cobos at the last minute. vites a conductor's involvement The bright, springy effect of Lopez-Cobos at the last minute.

The good impression he made at the time was rewarded with a return invitation—and, fulfilling it on Tuesday at the Festi-hit on precisely the right and precisely the right and the LPO soon that on precisely the right and the LPO soon that on precisely the right and the LPO soon that on precisely the right and the LPO soon that on precisely the right solves took on the sound solves took on the solves took of the solves took on the solves took of the solves took on the solves took on the solves took on the so that the previous LPO concert experience had been no fluke. He cuts a neat, wiry figure on the platform—the gestures are energetically pointful, and evidently communicate good musi-cal sense. A programme con-taining the Schubert C minor Symphony and the Mozart C

to earlier events in the family

life that at the end of the first

act we seem to have been living

almost entirely in the past, des-

and what passed between them in earlier days is recollected as

in earlier days is reconlected as relevant to current events. Old Aunt Sally once had an emo-tional moment in the old boat-house that led to her unpopular

hit on precisely the right manner for the music. Articu-lation was keen, not over-emphatic; there was a kind of "listening" alterness in the balance of parts; the paragraphs

ductor used an orchestra of chamber size (as he had in Schubert), but slightly compro-

the first, Edith Wiens, took on "Laudamus te" as well as her own inordinately ornate solo movements (leaving the replacemoved forward without being the concerted numbers). Miss For the Mozart Mass the condent soprano with a voice uctor used an orchestra of whose "manufactured" pro-Symphony and the Mozart C chamber size (as he had in minor Mass (K427) made that plain.

Schubert's Fourth, titled "The Tragic," is a longwinded early (women in good, bright voice, sample of the composer's symphonic gifts, with melodies disphonic g

Cannibal/Croydon Warehouse

Claire Armitstead

e testing one for a new com-pany, suring out fissh-in-the-pan achievers from those with acing each other off the decipan achievers from those with a longer-lasting gleam. After their success with Cock-and-Bull Story nearly two years the dua who comprise Ratskins Theatre Company must be as aware as anyone of the expectations that are focused upon them at Croydon's Ware-

house Theatre.
And on bal Crowe and Zajdic sequit them-selves well with Cannibal, a two-bander developed through improvisation which brings them back to the stage as Mark and Gary, brothers locked in a pernicious cycle of affection, anger and abuse, whose bedsit world is thronged with way-

ward emotions.
Gary is a 25-year-old delinquent on parole for assault, who has arrived at his brother's lodgings at some point shortly before the play begins because he has nowhere else to go. About Mark we know less; cast as lord bountiful, he provides money, shelter, a job and even a girl for his inadequate sibling who appears incapable of even the basic bonour that is supposed to exist between thieves.

Just who is deceiving whom Is an issue that becomes in-creasingly teasing as the drama unfolds into a bizarre, impro-bable whodunnit. The achievement of the actors is that they manage to contain this impro-

The second show is always suppressed violence that has a bel ratings, they explore the punctured rbythms of ingrown distress with a sideline in dry humour. Richard Zajdlic, as Mark, exudes a quiet humanity; Richard Crows, as Gary, esp-tures the intense impassiveness of a man with nowhere to run. I would have liked to know a little more about the brothers' background, and there were times when a director's eye might have come in useful, but there were certainly few dull

> At the 5 Dryden Street Gallery, WC2 until February 13 is the first showing of paintings produced by four London artists working in co-operation and call Hilary Garner, Andrew Thomason and Peter White have been exploring the possibilities of this collaborative process and they now feel that some of the results deserve a public showing. As well as joint works the show at Dryden Street con-tains their own individual work. The four are also showing later this year at The Barbican

"4 Prientres Viva" in London For over a year Nigel Newby, Centre, London (in August), Jersey Arts Council Gallery and to hear and no more difficult to stage than The Turn of the other venues to be finalised.

Owen Wingrave/Lucerne

Andrew Clark

Since his move to Switzerland Screwbeen steadily consolidating his reputation in central Europe from a base at Lucerne, where his work over a wide repertory centration and intensity deve-loped as much from Rochaix's sense of stillness and grouping of singers—all sharply-defined has proved a worthwhile endeavour. The finished result has often shown more spirit than polish, but the priorities of of singers—all sharply-defined ing pre-performance talk, Brydon and the city theatre director, Philippe de Bros, have the intimacy of the theatre for all the work's semblance of been in the right place, an inself, perfectly suited to this an open verdict (faithfully impression crowned by a new production of Owen Wingrave, buttoned-up Victorian black, his a fundamental pessimism in It is to be hoped that when both of them move to similar posi-tions in Berne next season, they will be able to translate this sense of growing artistic momentum with fresh appeal. Such a brilliantly-executed and thought-provoking staging of Owen Wingrave would not have been possible without Brydon's previous collaboration with the producer-designer tesm of François Rochaix and Jean-Claude Maret. Their work on Britten's television opera-hitherto staged outside Britain only in Santa Fé and Hanover—brushes aside all the red herrings about the work's problematical conception for the small screen, and supports the thesis that the composer knew all along its future would depend on live performance in the theatre. On this evidence, the opera is no less enthralling

Since his move to Switzerland Screw—which means difficult the violence in Britten's music four years ago, the Scottish enough, but within the reach in a way that underlined the conductor Roderick Brydon has and get to grips with Britten's remarkably exact marriage of music and drama, of narrative and psychology. The production's visual con-

> work Maret's costumes were in buttoned-up Victorian black, his decor a series of dark representational settings which met the challenge of the fast-moving tableaux, and provided sufficient context for the narrative. The the best example of the staging's musicality and clear appeal to the imagination: there was no superficial division of the stage, but a simple mime of mock military heroics followed by the trased of death in hartle tragedy of death in battle.
>
> The quality faltered only in the great Peace arin, the one place where the directness of the polemic justifies an arresting sense of isolation. Rochaix allowed it to pass in soft focus, and Brydon failed to capture the ethereal sensitivity of the music when the percussion militarism and proclaims Illa where Brydon brought his acute rhythmic and textural sense to bear on the score, articulating

comparative reticence of the composer's own performance. The best contributions on stage came from Michel Brodard, who gave a finely-

sung study of Owen, from Con-stanze Fee as Kate, and Niklaus Tüller and Charlotte Schaible as the Coyles. In an illuminata fundamental pessimism in Britten's outlook. That effectively rules out the argument that there is a hidden link with very unrelenting seriousness of Owen Wingrave is probably the main reason for its neglect as opera. Its revelation here as a masterwork was all the more ironic for taking place in a country where conscientious objectors are still imprisoned for refusing to do obligatory military service.

Festival Ballet in Hong Kong

The London Festival Ballet is visiting the Hong Kong Arts Festival for the first time this year, and will be performing Frederick Ashton's Romeo and February 7.

French premieres/St John's, Smith Square

Andrew Clements

Ville d'Avray lies across the Seine from the Bols de Boulogne, was home at one time for both Yehudi Menuhin and Alfred Cortot, and is still proud of its musical traditions. 1972 the municipality set up a music school, and from that grew the Atelier Musique de Ville d'Avray, an instrumental ensemble that divides its time between teaching and concert-giving. This paid its first visit to London on Tuesday night, for a programme of contem-porary French pieces presented under the auspices of Lontano's

concert series. Most of the new French music played in London has been filthe title, with its connotations by a Claudel poem and driven of medieval music, are not by flerce, barely contained graspable at a single hearing.

Allain Gaussin's spiky little depressing evening,

tered in one way or another through the subterranean channels of IRCAM, and the oppor-tunity to hear something of the composers not officially sane tioned was in itself welcome.
But the results did not suggest
that IRCAM's domination is de-priving the international circuit of exciting, innovative composers. The quintet of Atelier musicians — piano, flute, clarinet, violin, celle — conducted by Jean-Louis Petit, played consistently with assur-

though inevitably with a certain Eau-forte also left a positive For only two of the six composers represented hinted at a code and at least had the merit of some one of those, Gerard Grisey is already familiar. is already familiar here. His himself, La Clé de l'eau, Talea was given its first performance last month, and at least an over-generous timespan. mance last month, and at least creates from the fixed instrumentation a consistent and involving sound world. The many-layered tuttis one begins to recognise as a Grisey fingerprint are present here also, as well as the sense of an intelligence shaping the music on a large scale, even if the detailed structure and the relevance of the title. with its connotations an over-generous timespan. There was a tendency to garrulousness also in Luis de more pungency in Charles Chaynes' Lorsque Cécile chantait (or possibly Quand Cecile chantait—the programme notes gave both, and wers generally not to be relied upon), a memorial to Honegger inspired the title. an over-generous timespan

Saleroom/Antony Thorncroft

Architects rally round

original station at Temple Meads in Bristol, the oldest surviving railway terminus in the world, back to its pristine giory of 1840.

The Tudor style station, with a hammerbeam roof inspired by Westminster Hall, was, until recently, used as a car park; but the Trust, with enthusiastic young workers from the Man-power Services Commission, is well on the way to completing the re-building, and converting the station to a major arts and educational centre.

drawings to the auction, which raised £30,000, but the top price of £3,500 was paid for an acrylie on canvas by the artist Ben Johnson. It depicts a lamp, the "Uplighter," designed by John McAslan of the architects Troughton McAslan and exhibited at the RA's Summer Exhibition last year where it won an award for design excellence.

The "Uplighter" gives even illumination in a room by directing light onto the ceiling.

Architects had contributed

The painting was especially commissioned for this auction. Robert Venturi's preliminary elevational study for the Gordon Wu Hall at Princeton University sold for £1,000 while Quinlan Terry's design for a new house at Peacock Point on Long Island made £750. The front elevation of the Isle of Dogs Pumping Station by John offered to the Tate for Outram fetched the same sum.

autumn.

The gliteratti of the architectural world were out in new iron gates at St Hugh's force at Christie's on Tuesday Oxford sold for £240 and John night, rallying round the Brunel Ward's view of All Souls gateway in Oxford realised £380.

Trust aims to restore Brunel's Sir Denys Lasdun gave his waru's view of All Souls gateway in Oxford realised £380. Sir Denys Lasdun gave his design for the South Bank Bubble, the proposed landing stage and bar on the Thames close to his National Theatre; it was bought for £150.

It was bought for £150. Norman Foster's designs for the proposed new BBC headquarters at Portland Place may have come to naught but two preliminary sketches he made in the early stages of the commission, including one of All Souls', Langham Place, went for £280 and £200. The only lot which failed to find a buyer was Paul Hogarth's watercolour of a turn-of-the-century pumping station on Majorca which was bought in at £350.

Tate Gallery

The National Heritage Fund

This greatly improves the chances of keeping the painting in the UK. It is being £2,945,650, and, with contribu-The building, which has no tions from the Heritage Fund, windows and will be unmanned. the NACF, its Friends and its should be completed this own purchasing grant, the Tate will, with the latest contribution Colonel Seifert, not a known by the Heritage Fund, need to lover of the aesthetic, gave raise just over £500,000 by four sketches of his buildings April 10 to add this important

Arts Guide

bability within a framework of

Music/Monday, Opera and Salist/Tuesday, Theatre/ Wednesday, Exhibitions/Thursday, A selective guide to

Exhibitions

Tibbingen, Kunsthalle Philosophen-weg 76: Toulouse-Lautree. A retro-spective of 130 paintings and picture studies by Henri de Toulouse-Lau-tree (1864-1901). Ends March 15.; lannover, Sprengel Museum Kuri-Schwitters-Platz: Pablo Picasso, the exhibition is the most complete dis-play of Picasso's works seen in Germany, showing the 417 pieces donated in 1969 by the industrialist Bernhard Sprengel, Sprengel, who died last year, was Germany's leading collector of Picasso's works. The exhibition, with 400 graphic art prints and 17 oil paintings covers the artist's complete artistic range from 1904 to 1968, spanning cubism. classicism and surrealism, as well as Picasso's most recent works.

Munich, Lenbachhaus, Luisenstrasse 33: Franz von Lenbach (1836-1904). The painter had himself built a Palast in the Italian renaissance style, finished in 1891. His widow then sold it to Munich in 1925. To mark

with the original furniture and pain-tings of the artist. The exhibition displays 180 pictures and paintings in several rooms. Lenbach, celebrated above all for his portraits, studied at the academy for arts in Muder Karl von Piloty. Ends

TALY

Florence: Palazzo Pitti: The theatrical costumier Umberto Tirelli's fine col-lection of costumes dating from the eighteenth century to the present recently donated to the Pitth's Mu-seum of Costume, particularly stri-king are the gorgeously embroid-ered men's jackets from the 1700s. Also includes a section of the cos-tumes made in the Tirelli workshops for productions by Luchino Visconti, Luca Ronconi, Franco Zef-firelti and Pler Paolo Pasolini with

hotographs taken on stage. Ends March 8. Ponte Umberto 1): The Guillotine,

fascinating, but gruesome exhibi-tion, illustrating the history and use

CHEMICALS & HARDWARE FOR INDUSTRIAL" MAINTENANCE Dimex House, 116 High Street Solihuli West Midlands B913SD,Tel-021704-3551 Telex:336652,

the 150 anniversary of his hirth, the Lenbach Villa will be redecorated

tica: (Palazzo Barberini, via delle Quattro Fontane): Works by Caravaggio, normally spread throughout various museums and churches in Rome (mainly from the Villa Borghese, which houses the largest number) with a handful of paintings of doubtful attribution. Ends Feb 28. PARIS Musée d'Orsay. The speciacular mu-seum of the 19th century is situated

opposite the Tulleries Gardens with

in the metallic structure and the

glass-roofed vault of the vast Belle

enice: Palazzo Ducale: China In Ven-ice: Chinese Civilisation from the

Han Dynasty to Marco Polo (25-1279 AD): 150 objects, including silks, brocades, jewellery, terracotta figures, glass and porcelain lent by the Peking Museum. Many result from recent excavation, and most have never been out of China. The schilition course the main ported of china.

exhibition covers the main period of Chinese art, and the objects found

in tombs, buried with the owner for his use in the hereafter, shed a fas-

cinating light on life in the period. Ends March 1987.

Rome: Galleria Nazionale di Arte An

of the guillotine via a series of en-gravings and watercolours from the Museo Carnavalet and the Bibliotepaintings, stulptures, objets d'art and photographs from the end of the romantic period to the begin-nings of modern art and the impreson Nationale in Paris. Dr Lais Guil-lotin is exonerated for its invention, (being merely the promoter of a law which extended its use – as being more humane – to all, not merely noble, prisoners). Numerous engravsionist and Post-Impressionist col-lections formerly in the Jeu de noble, prisoners). Numerous engrav-ings show the beheading of Louis the Sixteenth. Also included is the contemporaries, long derided for their pomposity. The sculptures come into their drawing by David of the cropped-headed Marie-Antoinette on her way to the scaffold. Ends Feb 8.

own in the immensity of the nave, at the end of which is a large-scale model of the opera and its district below glass tiles. The view of Paris from the terraces is an additional delight. Musée d'Orsay, Entrance 1, rue de Bellechasse (4549 4814).

Closed Mon.
Pramor and Russia in the Century of
Enlightenment: A didactic exhibition of 600 paintings, sculptures, objets d'art and rare manuscripts
shows been cultural contacts beshows how cultural contacts between the two countries, practically unaware of each other at the beginming of the 18th century, grew to a constant flow of ideas and works of art by the end of it. The exchanges, begun by Peter the Great, became ever more intense under Catherine II who was fascinated by French ers and French a cy's art de vivre. Grand Palais (4289 5410), closed Tue. Ends Peb 8.

SPAIN

Madrid, Modern American prin ing, original engravings by 18 US painters showing the resurgence and impact of printmaking in the States. Since the 50s many work-shops have contributed to the proliferation of quality works on paper, this show represents the different aspects. Audrey Flack's Potoreal-

figurism or Kenneth Hale's Post-Modernism are shown. Achna. San Bernardo 167. Ends Peb 5. Jona, Edvard Munch (1863-1944): 165 lithos, drawings and his influen-lial graphics of his large output peri-od. Emphasis Is his preoccupation with themes of life and death (friezes of life). Fundation la Caiza,

Passeig San Joan 103. Ends March Madrid, Ben Nicholson (1894-1992): English abstract painter who kept to his idioms with remarkable constan-

cy. His paintings and reliefs are geometrically inspired and derive from the austerer forms of cubism. His abstracts remained unvarying until well after the Second World War, producing monochrome reliefs that relied for their effect on the interplay of finely related surfaces. Sixty-six works on loan by the Tate Gallery, the Moma and Guggen-heim, the Kunsthaus and Phillips collection, mostly from 1919-1931. Fundacion Juan March, Castello 77. Eads March 29.

NETHERLANDS

Ameterdam, Ven Gogh Museum. The seven Van Gogh sketchbooks have now been reconstructed and are on display for the first time, with the associated drawings and paintings. Ends Feb 8

NEW YORK

letropolitan Museum: 90 pointings from the end of Van Gogh's life are the focus of this second of a two-part show of the prolific artist at Saint-Remy and Auvers. The Starry Night and Cypresses come from this peri-od working first in an asylum in 1920s photographs starts its American tour showing the evocative panoramas and fleeting moments on the streets of Paris between the wars. Ends March 24. litan Museum of Art: The Prints of Pieter Bruegel with over 65

where he committed suicide in July 1890. Ends March 22. fuseum of Modern Art: The 1985 Grand Palais exhibit of Lartigue's

ance and great competence

January 30—Feb 5

works consists primarily of engrav-ings made in Antwerp in the 1560s after Bruegel paintings, but also in-cludes the only woodblock with a Bruegel drawing on it. Ends March CHICAGO Art Lastitute: The art of Italian Renaissance armourers, with suits embossed with Greek and Roman deities and fantastic creatures of the

artists' imagination, is on display in a special exhibit of French king

Henry II's armour borrowed from

Hever Castle. Ends Mar L. TOKYO

Edo Paintings and Nob Coston exquisite works in delightful small museum, part of Okura Hotel. Oku-ra Shukokan Museum. Ends Feb 22. Closed Mondays.

Hokussi Landscapes from The Bos-tom Museum Collection: 100 prints from the 18th century artist Katsushika Hokusai. Tobacco and Salt Moseum, Harajuku, set in Tokyo's most fashionable street, a weekend itinerary could also take in the Meiji shrine and gardens, bamboo-shoot street dancers and refreshments at any of the wide variety of elegant cafes, Ends Feb. 8. Closed Mondays.

appeal boosted

has announced that it will add another £500,000 to the £1m it has promised to the Tate Gallery in its efforts to acquire The Opening of Waterloo Bridge by Constable - if the Tate manages to raise a matching sum through its own appeal, launched this week.

which totalled over £1,000 while late work to its collection.

FINANCIAL TIMES

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Thursday February 5 1987

A bill about freedom

TOMORROW PARLIAMENT authorise or require acts incom-will have a chance to take a patible with the fundamental step of historic importance: rights, its will would have to be step of historic importance: whether it will take it and incorporate the European Convention on Human Rights into UK law, so that UK judges rather than those in Strasbourg should become its guardians, is very much in the balance, in spite of the support voiced so clearly by Lord Hailsham, the Lord Chan-

cellor.
The immediate benefit from passing the Human Rights Bill, a private member's bill introduced by Sir Edward Gardner, Conservative MP for Fylde, would be the transfer of most of the human rights litigation from Strasbourg to UK courts. Even greater benefits could be expected to ensue from the power which the bill would give to judges to rule out any act by government, or any person holding public office, which would infringe the fundamental rights of people within the juris-diction of the UK, even if such an act was authorised by pre-

vious legislation.
These fundamental rights are nothing new, being embodied in common law, court procedure, parliamentary and extra-parliamentary traditions. In-deed, the English concept of "fair play" became a part of the international vocabulary. How-ever, the enactment of fundamental rights, clearly spelled out, would provide an explicit guideline and framework of reference to a country coping with rapid social change and the influx of foreign cultures and where the record of civil liber-ties has become less than excel-

Parliament supreme

One of the major objections to enactment has been the fear, at one time expressed by Mrs Margaret Thatcher, the Prime also be abused in civil and Minister, that it could erode the business cases by applying spesupremacy of Parliament, cific and often technical provi-Though similar constitutional gions out of all proportion to rough similar constitutional gloss out of all proportion to provisions in other countries the law's purpose; for example, can as a rule be removed or punishing the policy holder for suspended only by a qualified the insurer's lack of authorimajority of the legislature and sation. If a bill of rights could the courts can invalidate laws encourage courts to look not which are incompatible with only for a "mathematical" the "fundamental law," the solution, but for one which is which are incompatible with the "fundamental law," the Human Rights Bill now before Parliament does not go so far. Parliament's supremacy would remain intact. It is proposed that statutes adopted after the enactment of the Human Rights Bill would have to be inter-

respected. Some might regret that the legislative oscillations produced by the British political system will not be moderated the requirement of a qualified majority for such over-riding acts of parliament, but such a maximalist objective seems premature. Neither politicians nor judges are ready for a system which, in the US and Germany, for example, subjects the constitutionality of current legislation to the scrutiny of the courts.

Another argument against the bill, voiced recently by Lord McCluskey in his Reith lectures, is that it would bring to an end the present system of allowing judges to proceed "with mathematical precision," without making any policy decision, interpreting statutes drafted with a wealth of pedan-tic detail. One can only wish that Lord McCluskey's fear will prove justified. The surfeit of detail makes statutes obscure to legislators and judges, not to speak of the ordinary citizen. Attempts to decypher such sta-tutes with soulless mathemati-cal precision lead judges to absurd decisions which they hand down only with the " great-

Obscure statutes

The influx of Community law has already obliged UK courts to become familiar with another less literal approach, paying greater respect to the legislators intent and the place of a particular statute within the system of laws: a bill of rights would help to make that approach better understood. Human rights are not only about repression by police and prison authorities. The law can in harmony with fundamental principles of fairness and jus-tice, and make legislation more intelligible and, therefore, more certain, there would be much to be thankful for.

The progress of the bill depends on sufficient MPs who are preted, as far as possible, in pends on sufficient MPs who are conformity with it, but when broadly sympathetic bothering the conclusion is unavoidable to turn up in the House of that Parliament intended to Commons tomorrow.

Rules for the US financial system

ally feel a need to exercise a restraining influence on events. Not so, it seems, Mr Gerald Corrigan, President of the Federal Reserve Bank of New York York, who has advanced a radical blueprint for the American finacial system in an essay which is to appear in the Bank's annual report this

In a refreshingly analysis of recent changes in ness—banks, savings and the US financial structure, Mr associations, securities firms and insurance companies—brought under one umbrella. In a refreshingly direct Corrigan advocates the elimina-tion, over the long term, of most of the existing barriers to financial conglomeration, including the Glass-Steagal Act's distinction between commercial and investment banking. He calls for a clear dividing line between commerce and banking, which would require the big retailers, automobile com-panies and others to halt or reverse the inroads they have made into the financial sector. And he highlights the need for urgent reform in the dollar payments system, where either a mechanical failure or a liquidity problem could spark off a worldwide chain reaction.

This would amount to a major overhaul of the system, in which the thrust of regulation would focus on the functions performed by individual insti-tutions instead of on the institutions themselves. Yet a major overhaul is needed if prudential supervision is to catch up with changes in the market place.

Permanent loss

to assume that the distinction from the markets, may prove tributed to financial innovation temporary; but the loss of the over the course of history also banks' monopoly of information raises a question about the about their big customers in wisdom of such barriers to the wake of the electronic entry. revolution, together with the The debate will no doubt rage internationalisation of the on these and other issues. But

Moreover, differences in valuable service by providing a had been given too much of a supervisory, tax, accounting and framework for discussion that regulatory treatment of differ-ent types of institution, both tive of the powerful interest domestically and internation-ally are now more open to ex-ploitation as financial innova-should take place within an tion seeks out anomalies and international context,

the public safety net associated with banking and finance will be extended to many of those who have acted irresponsibly.

The interesting question is where to draw the line in the face of the powerful market impetus towards conglomeration. Mr Corrigan is content to sec all the main components of the existing financial services busitogether under one umbrella. The result would be that individual firms would choose where they fell on the financial landscape, instead of being subject to chance or historical accident. The component parts would be supervised much as before.

Poor reward

In contrast, commercial corporations would be kept away from the more sensitive parts of the financial system on grounds of conflicts of interest, unfair competition, concentration of economic power and the increased scope for breach of fiduciary duty. Difficulties are also envisaged in supervising selective parts of the overall corporate entity.

Retailers like Sears Roebuck, which would be forced to divest some of their financial interests if these proposals found their way into legislation, might well argue that this amounts to a poor reward for bringing fresh capital to the financial sector. Or, indeed, that the challenge posed to the supervisors by the Mr Corrigan is surely right risk of cross-infection between to assume that the distinction the components of a financial between the banking system and conglomerate is far greater than the securities markets will rethe challenge of ensuring main blurred. The decline in capital adequacy where the the credit status of the banks ultimate parent of a financial in relation to the customers, business is a commercial or which makes it cheaper for big industrial company. The extent corporations to borrow direct to which non-bankers have con-

financial system, is permanent. Mr Corrigan has performed a

FRENCH TELEVISION

Now showing: plus ca change

French television, now about to reach its longawaited climax, has all the ingredients of a good soap opera. ingredients of a good soap opera. paper empire has set his It is a tale of political intrigue sights on La Cinq," the pri-with a peculiarly Gallic flavour. vate fifth channel La Cinq is Against the backdrop of the now operated by Italian media bighly excitable yet insular magnate Silvio Berlusconi and Mr Jerome Seydoux, a mem-Against the backdrop of the world of French television, a star-studded cast, drawn from the world of big business, and politics, has been acting out a drama of political gerryman-dering and corporate stratele worthy of Dallas or Dynasty. After months of behind the

scenes manoeuvring, the future of TF-1, the state television network to be privatised next month, and of the country's two private television channels is about to be decided. Later this month, the newly set up French communications authority, the Commission Nationale de la Communication et des Libertes (CNCL) is expected to allocate the country's existing television franchises to new operators. Pricing of TF-1 is likely to take place in the next few days. The struggle for TF-1, the flagship of French state television, has brought out some

of the biggest names, not only in media and publishing, but also in industry. Mr Francis Bouygues, head of the country's largest construction group, has taken his flagging campaign for TF-1 to the newspapers, purchasing a full page advertisement in the daily press. Much more likely daily press. Much more likely to succeed is Mr Jean-Luc Lagardere, chairman of Hachette, France's leading publishing group, and of the Matra defence and electronics conglomerate, which has struck a deal with Havas, the state-controlled media and advertising group (also due for privatisation) to bid jointly for management control of TF-1.

Sir James Goldsmith, who like Hachette has ambitions to create a European multi-media like Hachette has ambitions to create a European multi-media group, is not to be left out of the line-up—similarly, Mr Bernard Taple, who has made a fortune from acquiring bankrupt companies, and the Compagne Luxembourgeoise de Telediffusion (CLT) which owns Radio-Television Luxembourg, the major private

bourg the major private
European network
Moet-Hennessy, the vulner
the champagne and cognic
bouse, has also shown its ambition to branch out into the deregulated broadcasting sec-tor. And although he has

right-wing press baron who publishes "le Figaro" and heads France's largest newsber of one of France's richest families, the Schlumbergers, and chairman of the Chargeurs

transport and communications Theoretically, it is the new supervisory body, the CNCL, modelled on the US Federal Communications Commission, and the French culture and communications ministry which are in charge of the privates. are in charge of the privatisa-tion of TF-1, as well as the allocation of licences to operate the fifth channel and a private music station, known as the sixth channel

But the real action over the past few weeks has taken place in the corridors and smoke-filled offices of the Hotel Matignon, headquarters of Mr Jacques Chirac, the Prime Minister.

The Government's programme of broadcasting reform has provoked a storm on both left and right. Mr Francols Leotard, the culture minister with presidential ambitions who launched this effort with great fanfare after last March's election victory for Chirac, has been at the centre of the controversy. Predictably, the left has denounced the reforms, while various right wing factions in the legislature have forced important amendments to the media law in the interests of safeguarding French culture and film-making.

The Socialists want a special parliamentary commission to privatisation of TF-1. They have said they would renationalise the channel if they returned to

power.

All this points to the enormous influence the national television networks, especially TF-1 and its main rival Antenne 2, have had in France. Although they have become increasingly independent politically, they nonetheless remain heavily controlled by the Governments in office.

After 1968, a purge took place in the networks as the Government eliminated journalists and television personali-ties who had adopted too critical a view or played an active role in the May upheavals. "Since then, the journalists and broad-

networks to be privatised under the it has long been regarded as both control. It has the lowest ratings of conservative government's reform. profitable and the most the three state networks, but has

1985, but the government expects it now struggling to regain top ratings screening more feature films, to fetch about FFr4bn.

THE BATTLE for control of dropped out of the race for casters have become gradually French television now TF-1, Mr Robert Hersant, the more independent, but not as independent as they may think," says a former senior network official.

Heads of channels and key services, like the \$ o'clock evening news, are still invari-ably dismissed when the government changes.

So the stakes in the current So the stakes in the current battle are high for all concerned. For the Chirac administration, the controversial decision to privatise the first channel, the country's oldest and largest television network, which claims 40 per cent of the national audience, has great symbolic significance. The government could have picked one of the two other national television networks.—Antenne 2 or FR 3—to privatise; but that would not have sent the same would not have sent the same signals about the seriousness of its commitment to competition and free market policies. Broadcasting reform has not

been the sole preserve of the right however. It was the Socialist government of Presi-

Paul Betts and Raymond Snoddy disentangle the

Dallas-style battle for control of the channels

dent Francois Mitterrand which took the first steps towards de-regulating the industry, launch-ing an ambitious cable programme and setting up the country's first private television channels and Europe's first pay television network, Canal Plus. Yet beneath the reformist intentions of the Socialists, the right—then in opposition— detected the operation of the

classic patronage system, which has long governed the allo-cation of media power. For the right, the president's move, presented as an attempt to modernise broadcasting and increase competition, was a transparent effort to ensure the existence of channels sympathetic to the left after the Socialists expected defeat in the elections. The left knew it could not preyent the spoils system from delivering control of the public channels into the

the right wing



majority when it took power-but it hoped to maintain a voice in the media world through the private channels. Nonetheless, the private net-works themselves were soon to fall prey to the spoils system. As soon as the right returned to power it cancelled the operto power, it cancelled the oper-ating concessions granted by the Socialists for the fifth and sixth channels, as well as for charnels on France's direct broadcasting satellite service aimed

at the West European market. Although both the fifth and sixth channels have so far provided only negligible com-tition for the state channels in terms of viewing audiences and advertising revenues, their longer-term profit potential is believed to be significant.

The arrival of the private networks has increased pressure on state television to enhance the quality and appeal of its programmes. The state chan-nels are showing more feature films in an effort to compete with the private networks and the Canal Plus pay channel. After a shaky start in 1984, Canal Plus has proved a com-mercial success, helped by the screening of soft and not-co-soft porn, with subscriptions rising above the 1.6m mark.

above the Lem mark.

For its part, TF-1 has launched a highly popular weekly political satire and comedy show, "Cocoricoboy," which depicts politicians as muppets and features a topless playmate once a week — all at prime viewing time.

While the operators of the two private networks have filed claims for compensation for the loss of the franchise, they have also been trying to put together applications and pegotiations with other partners to try to maintain a foothold in the

sector.

Indeed, Mr. Berlusconi is Although, TF-1, has been believed to have had talks with losing money, the power and business potential of the netshowing interest in TF-1 has work with its large chunk of focused his ambitions on the fifth channel. An alliance be-

tween Mr Hersant and Mr Berlusconi, with possibly Sir James Goldsmith joining the team, now appears to be the front-runner to take over the

But it has been the imminent privatisation of TF-1 and the battle for control of the state network which has captured the headlines and provoked political passions excessive even by French standards, Mr Jack Lang, former French culture minister, has compared the privatisation of TF-1 to the sale

of the Palace of Versailles. The first channel is a public institution in France. Although a few years ago it suffered a decline in ratings at the expense of its aggressive rival Antenne-2, it has been picking up audiences under the management of its president Mr Herve Bourges.
Appointed by President Mitterrand, he is expected to be replaced after the sale of the

channel. The network sirs a combina-tion of middle-brow and popular programmes and its news ser-vices have been revamped to compete more effectively with Antenne-2's reputation as the premier news channel. Like the other state channels, TF-1 has provoked the wrath of

the new government, which believes it has not represented tits reforms fairly. One par-ticular TF-I programme has been a longstanding bete noir of the right. Called "Droit de Reponse," it is a chet and dis-cussion abow led by Mr Michel Bollacia, supporters have been Pollac's supporters have been vocative left-wing television personality.

Presidential elections, due

next year, have further raised the stakes in the reform game. Traditionally, the state net-works have devoted a large amount of broadcasting time to

media groups as well as of lead-ing enterprises, like Bouygues, in search of diversification. TF-1 is expected to be valued

by the privatisation commission this week at about FFr 4bn to FFr 4.5bn (£491m). The price will be announced by the broadcasting regulatory body CNCL, which will seek corporate appli cants for 50 per cent of the net-work's shares. Forty per cent will go to individual investors with 10 per cent reserved for

said a FFr 4bn price tag would be a give-away, claiming the channel is worth at least FFr 10bn.

Instead, Mr Chirac bas actively encouraged the Hachette-Havas bid for TF-1. Under this arrangement. Hachette would buy 25 while Havas would acquire 15 per cent.

Hachette and Havas may also be joined by other corporate investors. Granada Group in the UK, which also has a small the UK, which also has a small stake in Canal Plus, has been talking to Hachette about the possibility of joining its consortium and Television South (TVS), the fast-growing ITV contractor for the South of England, is also interested in a stake of up to 5 per cent.

To the French public, all this deal-making suggests the battle for TF-1 and the other two private channels has been rigged from the start, a cynical attitude lent credibility a few weeks ago by one of the first major decisions of the CNCL. The supposedly independent 16 member commission appointed new chairmen to all the public television organisations—the three key posts all went to people closely associated with Mr Chirac's RPR party.

As long as the Government continues to control the allo-cation of broadcasting franchies deregulation seems likely only to drive the tra-dition of political patronage underground — not reform it.







The first channel, oldest and largest Government has decided to keep the of the three state-owned television second channel in the public sector. For the time being under state controlled by the Havas media and nationwide TV network; came on air previous Socialist government advertising group. It is regarded as last February. Criticised as the awarded the concession to operate "private" although Havas is "spagnetti channel" it specialises this network to a group (ad by controlled by the state. It specialises in soaps, games and variety shows. It Geumont, the French film produin films and sport. It is seen that recently started to become more group. Mainly pop and rock

Runners in the BBC stakes

Its deficit was put at FFr180m in

The race for the director-generalship of the BBC is now hotting up with Ladbroke's playing their usual sharp-nosed role in the great decision of the

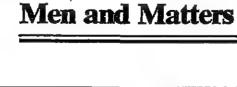
nation.
In the first furlong, Brian Wenham managing director of BBC Radio and the leading internal candidate is neck and neck with Jeremy Isaacs, chief executive of Channel 4 at 2-1; Michael Checkland, present deputy director general, is 9-2; John Tusa, managing director of BBC External Services, stands at 7-1; David Dimbleby, in from 10-1 to 8-1; Paul Fox, managing director of Yorkshire Television is paired with Michael Grade, director of programmes at BBC Television on 12-1. Sir Alastair Burnett of ITN is at 14-1, and 16-1 is offered against the rest—whoever they might be.

Ron Pollard of Ladbrokes who admits the book is more fun than serious business, says that the money has really only been going on three candidates: Wenham, Isaacs and Dimbleby. To save you throwing your

money away it might be well to bear in mind the following. It is not even clear whether Jeremy Isaacs will apply. He has been seen frequently at the opera and at musical soirces recently and friends believe it is the chairmanship of the Royal Opera House he really wants when Sir Claus Moser retires in the summer.

Paul Fox and Michael Grade will not apply. Burnett could not afford to. The opportunity has come a bit too early for John Tusa, and Michael Checkland, the accountant, will probably be kept on to mind the shop as deputy, possibly with a pay rise and an expanded role. Dimbleby is a strong runner but there could be a stewards' inquiry if it were thought he

Which leaves Brian Wenham, who must be in with a chance —if he can only avoid appearing too clever by half.
But as Anthony Smith, director of the British Film Insti-



professionally run state network. It is sought to enhance its appeal by

tute, warns, there was not the slightest hint last time in the public prints that three of the six on the short list had even applied.

Political move

Mario Ramon Beteta's decision to step down as director of Pemex, Mexico's state oil mono-poly, to become governor of the State of Mexico, has put the country's political pundits in a

Long one of the most powerful men in Mexico's political establishment, Beteta is now seen as a long-shot possibility for the presidential race in 1988. Beteta is a close associate of

President Miguel de la Madrid. He was de la Madrid's boss in the finance industry's public credit directorate in 1965 and de la Madrid as his deputy ten years later. An imperious, dom-inating personality, Beteta was given thetough job of reorder-ing Pemex's finances when de la Madrid became president in

Whatever his presidential ambitions—and his as yet unnamed successor at Pemex will undoubtedly come into that reckoning as well—Beteta's new post will assure him of a key political role well into Mexico's next administration. The sixyear governor's term will end in 1993.

As director of Pemex, Beteta has ben in constant combat with the monopoly's powerful and notoriously corupt union. If that fight had a clear victor, it was not Beteta but Joaquin Hernandez Galicia, the union's boss. Hernandez is now urging the government to give the Pemex job to an "authentic oil



"Where the union and Telecom management hold their

reference to Beteteas background as a quintessential tech-

Late show Soviet television viewers, ex-

cited by last month's series of four films about the Russian revolution, which portrayed Lenin as a human being than the idealised hero usually served up have a lowly archiserved up, have a lowly archi-

diosparaging Soviet leader struggling with



vist to thank.

The films, called "Additional features to the portrait of Lenin" and based on scripts by Mikhail Shatrov, now secretary of the Soviet writers' union, were made in 1967 and 1968—and immediately banned. the excessive damage that had been done to Morgan Grenfell So great was officialdom's horror at the picture of the

Luckily, the archivist preserved one print; and it is this that has been brought to light 20 years later under Gorbachev's more relaxed regime. Yet another first in these films is that Lenin is shown surrounded not only by fellow revolutionaries but also by full-

problems and having doubts, that all copies were ordered to be destroyed.

revolutionaries but also by full-blooded opponents.
Shatrov's latest play, "War or Peace," meanwhile, is due to be staged soon in a Moscow theatra, bringing to the stage such characters as Bukharin and Trotsky, long absent from public view in the Soviet Union.

Acquired taste

The leading financial and indus-trial news data bank in Japan contains six references to Guinness, Most of them are about people aged over 100. None of them deal with the current scandal over attempts to prop up the drinks company's

To the Japanese, Guinness is a name that has to do with the Book of Records—no drink. The leading Japanese national newspapers have devoted only a few brief paragraphs to the scandal that has rocked Britain, concentrating on the fact that the chairman was forced to resign Even if the subject had been given more generous treatment the average Japanese reader might have had difficulty under standing it. Insider trading and share price manipulation are everyday practices in Japanese stock markets.

However, seasoned Japanese bankers and stockbrokers, familiar with the customs in London and New York, appear to have been following the story closely.

It comes up frequently in social encounters, usually as a subject worthy merely of detached amusement. But one Japanese banker, recently returned from a London posting, said he was disttressed at what he felt was

Observer

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atomas

ESSUITE ETT

LIBERTIES have rightly displaced the economy as a topic of concern just when Britain is enjoying the nearest thing to a boom that it has experienced since the worldwide oil shock of 1973.

That is why the Chancellor has, I would guess, £4bn to divide between cutting taxes and reducing Public Sector Borrowing Requirement.

The best view of underlying trends is obtained by looking at movements through the year rather than at the whole year on-year comparisons now in

The first estimates of real The first estimates of real domestic product growth netween the end of 1988 and 1987, due on February 18, will be revised at least 20 times in the months and years to come. Revisions have typically ranged from minus 0.6 per cent to plus 2.2 per cent. On average the final published growth rate is 0.8 per cent higher than the initial estimate.

Indeed whatever headlines initially appear, the final estimate for growth in the course of 1986 is likely to turn out at least 3 per cent; and 34 per cent or more looks likely for 1987.

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Lower 15

This is nearly two-and-a-half times the average growth rate achieved since the 1973 oil price explosion under either Labour explosion under either Labour or Conservative governments. Nevertheless, it would have been no more than par for the course in the Golden Age before 1873.

The rise in output, together with the demographic decline

in labour force entry has been just sufficient to bring a slight decline in unemployment, after allowing for definitional changes and special measures. Greenwells have estimated that there is an underlying unemployment fall of 10,000 a month, or half a percentage point a year. This is far from magnificent considering that it is associated with boom condi-tions, by definition better than

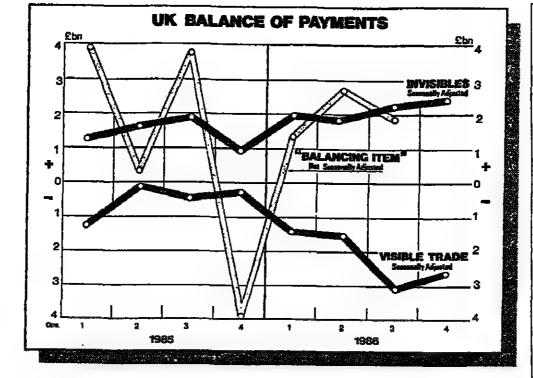
The evidence for a boom comes even more from demand and spending rather than output. Real consumer spending rose by nearly 5 per cent in the course of 1986. The main driver than the course of the spending transfer than the course of the spending transfer than the ing force was the rapid growth in personal incomes, which in its turn resulted from falls in oil and commodity prices.

The consumer credit boom further boosted consumer spending, and the personal savings ratio fell by about 11 percentage points in 1986 to

Economic Viewpoint

The nearest thing to a boom in UK growth

By Samuel Brittan



measure of exports, "export volume excluding oil and erratic items" rose by 6 per cent in the last half of 1986, compared to the last half of the pre-

vious year.

Taking everything together, Goldman Sachs estimates that total real final expenditure rose by 4 per cent in the course of 1936. Output rose less of course hecause some of the increase in demand leaked into imports.

Nevertheless, of the main dangers to the UK recovery I would put the balance of payments lower down on the list than three others—the vulnerability of the world economy, the risk of a resurgence in the risk of a resurgence in British inflation and political pressure on sterling.

Indeed the most en-couraging sign for the British economy has been a major im-provement in international com-petitiveness, Sterling has fallen by 121 per cent since December 1965. Even more relevant has been a fall of 22 per cent against the D-mark, as more than half Britain's trade is with EEC-linked countries.

EEC-linked countries.

Much less than usual of this depreciation has so far been eroded by higher unit costs. There are even the first slight signs of a deceleration in nominal earnings, which have been rising by 7½ per cent per annum solidly since 1983. Manufacturing productivity, which fluctuates erratically with output, has spurted upwards. Unit costs are now only 3 per cent

more than exports — nearly 9 per cent in the second half of 1986 compared with the year before, again excluding erratics and oil. This was partly a re-flection of the usual lag, known as the J curve, before depreciation improves the trade balance and partly a reflection

of rising home demand.

There have of course been other influences on the balance of payments. The invisible balance improved over the same period by nearly £2bn at an annual rate, but the surplus on oil trade was slashed by more than £4bn.

than f4bn.
Adding everything up, the re-corded balance of payments swung from a surplus of f4.1bn

swung from a surplus of £4.1bn per annum in the last half of 1985 to a deficit of £2bn in the last half of 1986.

There is, however, yet another statistical loker. This is the balancing item or "errors and omissions." This is conventionally placed in the capital account. It has been on an erratic but rising trend, and may now be running at £4bn to £5bn per annum.

If 4 per cent of the unrecorded credits in world trade (corresponding to about half of Britain's share in industrial trade) were attributed to the UK, the current account would be back in balance.

be back in balance. It is not, however, the exact size or even sign of the current belance that matters.

beginning of a long period of The effect on inflation would net international borrowing to depend on whether it was finance current consumption. The main failure of economic

The main failure of economic policy in 1986 was the inability to consolidate the dip in inflation to 2½ per cent in the latter course would be less middle of the year, reflecting falling oil and commodity prices. The Treasury may well revise upwards its 1987 inflation forecast. Inflation is likely to touch 4 to 5 per cent some time this year.

The most important economic aspect of the coming election is that a Labour recovery in the polls could, if it was expected to last, push sterling

The most important condi-tion required to prevent an in-flationary take-off is the same as that required on the balance of payments front. It is to stabilise sterling so that competi-tiveness is maintained, but a fresh inflationary impulse is avoided. The recent weakness of sterling against the D-Mark is worrying, for the stability of the sterling index has only been maintained because of the rise against the dollar.

The next most important, and related, condition is to main-tain wage restraint despite a continued upturn in non-oil pro-fits. Industry would be likely to respond more vigorously to present competitive advantage and restrain pay increases (a) if it were convinced that ster-ling had reached bottom, but (b) it would not be allowed to soar upwards again. The two conditions together

make up a strong pragmatic case for joining the European savings ratio fell by about 14 percentage points in 1986 to around 9 per cent.

Consumer spending was not the only source of rising real demand. Fixed capital formation was probably up by 2 to 3 per cent and government spending on goods rose by 14 per cent. The most important

Turing productivity, which salence that matters.

World capital markets are short of creditworthy borrowers short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a short of creditworthy borrowers believe likely after the election. But there is still a strength the construction of the proposition of the election of the construction of the proposition of the construction of the proposition of the proposition of the construction of the proposition of the construction of the construction of the proposition of the consideration. They are the construction of the proposition of the construction of the proposition of the construction of the construction of the construction of the construction of the proposition of the construction of the construction

depend on whether it was thought sterling would stick with the D-Mark, go with the Community average, or move with the French franc. But even the latter course would be less

in the polls could, if it was expected to last, push sterling lower still, despite the very high level of short-term interest rates (11 per cent nominal, 7 per cent real) that now pro-

The furore following the 3 am Special Branch raids will probably do more damage to the Government than the much overplayed "City scandals." Recent events have thus strengthened my view that an early election is improbable.

To be still likely that the Con-

It is still likely that the Con-servatives will be the largest servatives will be the largest single party. But it is far from certain whether they will have an absolute majority. In the latter case a second election within one or two years is nearly inevitable. It is only after a second election that electoral reform, or a major role for the Alliance, becomes a feasible option. Until then the markets still need to worry. There are two far more important issues than the conjecture over the election. They are:

employed or the young. The regional gap. Workers in the north, the west and the

in the north, the west and the Midlands are inhibited from taking jobs in the south by soaring housing costs.

On the other hand rigid wage structures, determined by collective bargaining, prevent pay rates from reflecting regional supply and demand differentials. Thus jobs do not move to where workers are.

Faced with these questions the so called "Budget judgment" fades into insignificance. The main arguments against The main arguments against tax cuts and for reducing the

PSBR are: (a) the general principle of cyclical adjustment and built-in stabilisers and (b) the specific case for a brake on the special case for a brake on the growth of nominal demand and thus relieving balance of payments and inflationary anxieties at the present time.

The case for sticking near to the published PSBR projection—and for either cutting taxes or investigate are received.

or increasing some public ex-penditure—is that a period of above-trend growth is required to reduce unemployment. This is an argument we have heard many times before. Expan-sionary policies, which do not contain a nominal safety catch have a tendency to crash.

Personally, I shall be judging the Budget by micro and distributional rather than macro considerations. If all the concessions relate to plans such as Profit Related Pay, the long-term unemployed and selectives help for the low paid I chall

Lombard

Doctors in trouble

By Joe Rogaly

In fact it is growing so quickly far, a British-born white, doctors in the 1990s; meanwhile there is the immediate problem of being fair to the Asian and other non-white doctors we impose the properties of the 13,000 or so foreign non-white doctors we impose the 13,000 or so foreign non-white doc other non-white doctors we im-ported in their thousands when here was a shortage of home-

even the increase in the elderly population, which demands more medical care. Thus the average number of patients per doctor fell from 2,250 in 1961 to 2,150 in 1981 (in spite of a sharp rise during the sixties).

sharp rise during the sixties).

Since then the fall has been more dramatic: to 2,010 in 1985, and probably just below 2,000 this year. There was a particularly sharp drop in 1982, as larger numbers of medical graduates came on the market. Something had to be done. At the Department of Health and Social Security some officials favoured a reduction in the intake of medical students.

The preferred solution was to

schools cannot come here any more as we have enough of our own," although that was what was intended.

Use was made, instead, of the requirement that doctors enter-

pass the Professional and Lin-guistic Assessment Board test set up by the General Medical Council, or fight their way through a stringent procedure for exemption. Since April 1985 a third hurdle has been added: the Home Office must be asked for permission to remain for up to four years for the purpose of

to four years for the purpose of undertaking postgraduate training in hospital.

After that the doctor must go back home unless he or she has a job at, say, consultant level, plus a spousor who can demonstrate that no suitable. British applicant is available.

Whatever else you may think A report* just published by about the Health Service, the the Commission for Racial number of doctors is growing. Equality demonstrates that, so

Now most of the 13,000 or so foreign-born doctors currently practising in this country are Asian; less than one-twentieth there was a shortage of homegrown practitioners.

Let's look at that potential
glut first. If you take a long
run at it, the figures are imoressive. The number of doctors
in general medical practice has
risen by around 25 per cent
since 1961 and this has offset
tue some 27 per cent of hospital
doctors. The around in the coldesty. doctors. The proportion is fall-ing, but the numbers are not,

The implication of the carefully-worded CRE report is that these doctors are not always fairly treated. They are to be found in the two least popular found in the two least popular specialties — geriatrics and psychiatry. (The figures shown are for 1981, when 84 per cent of registrars in geriatrics were from overseas.) They are a tiny minority in the popular consultancies — particularly in general surgery. Although some 60 per cent have obtained their FRCS, MRCP and the like while studying here, they have to studying here, they have to try more often for promotion.

take of medical students.

The preferred solution was to turn off a quite different tap: the annual inflow of between 1,500 and 2,000 mainly Asian who were asked said that it was doctors. This is being achieved by means of administrative the non-white and 40 per cent legerdemain. Nobody said, "doctors from Indian medical that there was discrimination schools cannot come here any in the Health Service. that there was discrimination in the Health Service.

There are good answers to this. By and large the Asian

doctors are younger than their British counterparts: promotion requirement that doctors entermay yet come. The college of ing Britain from overseas must original study may count: why pass the Professional and Linsup should it not? Although the guistic Assessment Board test report has countervailing arguments, it is understandable that patients may be concerned about linguistic ability — after all, some 45 per cent of overseas doctors speak a language other than English at home.

Yet none of this quite suffices to dispel the sense of unease aroused by the CRE document. We welcomed them when it suited us. Are we playing straight with them now? *Overseas Doctors. A Research Study. Commission For Racial Equality, £1.

Performance

measurement

From Mr P. Meins. Sir, — While I have some sympathy with Mr Allison's other concerns (January 20) his criticism of performance mea-surement is, I suggest, slightly off target. The problem is not how or whether to measure performance but what to do with the figures when they have been

calculated.

There is in my view some irresponsible advice in this area and a tendency for funds to engage in fruitless switching to the managers who happen to be currently the most successful, without systematic analysis of results or indeed a coherent strategy being developed in the first place. This may in turn encourage investment managers to adopt the short term outlook about which Mr Allison and many other commentators are

now complaining.
Trustees of pension funds and other institutions need to set down clear objectives for their investment managers, over a sensible timescale, and ensure that the implications are fully considered and accepted by both the managers and them-selves. Actual results should then be monitored against these objectives over the agreed timescale. The identification of risk is part of this process.

P. G. Meins, (Director, Actuarial, Benefits Consultancy Services), Coopers & Lybrand Associates, Plumires Court EC4.

Maximum local autonomy

Sir,—John Lloyd's presentation (January 26) of the present position of the Loyalist
population of Northern Ireland
is accurate, but his proposed
remedy, the "Integration" idea
of Robert McCartney's group, will not be adopted, for two

It would require the uni-lateral repudiation of the Angio-Irish Agreement by the UK Government, thereby releasing the Irish Republic from all commitments to co-operate in the pacification of Northern Ireland. More profoundly, the sociology of Northern Ireland is so dif-ferent from that of Great Britain that British self interest precludes it. Integration would merely re-establish for Northern Ireland the unsuccessful union of the pre-1921 UK. The fundamental constitutional presuppositions which give Great Britain stability do not exist in Northern Ireland: for example the crown and monarchy, representing national unity above party politics for Great Britain, is in Northern Ireland seen as an intensely partisan political, formance that and even a sectarian, symbol. The risks of "integrating" such a mentality within the body companies.

Letters to the Editor

politic of Great Britain are simply too great. An alternative? Here in Switzerland cultural and con-fessional differences led to civil war in the 19th century, yet today the major confessions, in the divided into three (four?) language blocs, live in harmony. That is achieved, not by denying diversity but by en-

couraging its expression through maximum local autonomy and civic responsibility. Those concerned with the future of Ireland (and not just its Northern province) could with

advantage study this prototype. A. J. McEvoy. ICP 2,

Centre Universitaire, 1015 Lousanne,

Incentive schemes

From Mr L. Moss Sir,—Mr P. Murray (February 2) is mistaken in his assertion

that favourable tax treatment for share option schemes is limited to a subscription value of £100,000. The correct limit is four times PAYE earnings or £100,000 whichever is the greater. Tax-favoured options are indeed available up to four times earnings for the majority of participants: the latter limit is mainly applicable to partici-pants not taxed under PAYE. In fact Inland Revenue rules are significantly more generous than institutional guidelines. While the latter impose a four-times earnings limit on all options granted in a 10-year period, tax rules ignore options previously exercised. As tax relief is available for options if exercised three year from grant, tax-favoured options of as much as 16 times earnings could be granted in a 10-year period for a company in a posi-

tion to ignore institutional guidelines. Surely however the issue of which limit is "right" is less important than the question of what targets should be satis-fied before options can be exercised? It is not so much a matter of motivating already well-motivated executives as relating reward to the delivery to shareholders of real value above and beyond inflationary and speculative share price in-creases. Burton should be commended for incorporating per-formance targets in its share option scheme, in marked con-trast to most other British

The real issue, however, that shareholders should be address-ing is what level of prospective ing is what level of prospective performance is already being rewarded by directors' current remuneration, and whether performance targets are at a level to provide sufficient additional shareholder value to justify the grant of further share options. Leslie Moss. Sibson/J & H, 195 Knightsbridge, SW7.

Exchange rate problems

From Mr J. Weiner. Sir,—Mr Brittan (January 29) agrees that "floating exchange rates have been a disappoint-ment to their protagonists." By extension they have confirmed the worst fears of their sceptics and critics. Mr Brittan con-cludes his discussion of the proposed alternative of target exchange rate zones by saying that we shall be riding for another fall if we attempt to try them without thinking

through the underlying prob-It is indeed high time—if not It is indeed high time—if not too late—to return to basics. Even if it is too late to avoid a damaging dollar crisis, reinforced to boot by overt protectionism, we must return to fundamentals in order to surmount it and progress beyond it. Anglo-American preparations for Bretton Woods in the

war started long before victory

was in sight!

was in sight!

The overriding issue I suggest, is the adjustment of imbalances and not the problem of exchange rates. We need a system for balancing the global books. Such a framework could resemble the outlines of the bread beautiful print pr the broad based clearing union proposed by Maynard Keynes at Bretton Woods as against the more narrowly based and capitalised stabilisation fund which resulted in the original IMF. Even so, let us not forget, in the words of Paul Bareau's distinguished Wincott Memorial Lecture of 1981 on

"The disorder in world money" that "Bretton Woods Mark I gave the world between 1946 and 1971 25 golden years of reconstruction and unprecedented economic growth reconciled with a measure of dual stability of exchange rates and domestic prices which must fill us with nostalgic envy today." There are lessons to be learned from the breakdown of Mark I and from the damaging

lowed. Is it not time to study these lessons and to prepare the ground for reforming the existing institutions on the lines of a Bretton Woods Mark II equipped to deal with the great changes which have taken places. changes which have taken place and are foreseeable in the future? John M. Weiner. Brunsgreen, St Leonards, Nr Tring, Heris.

Personal equity

From the Administration Manager, PEP Division, Prudential Portfolio Managers.

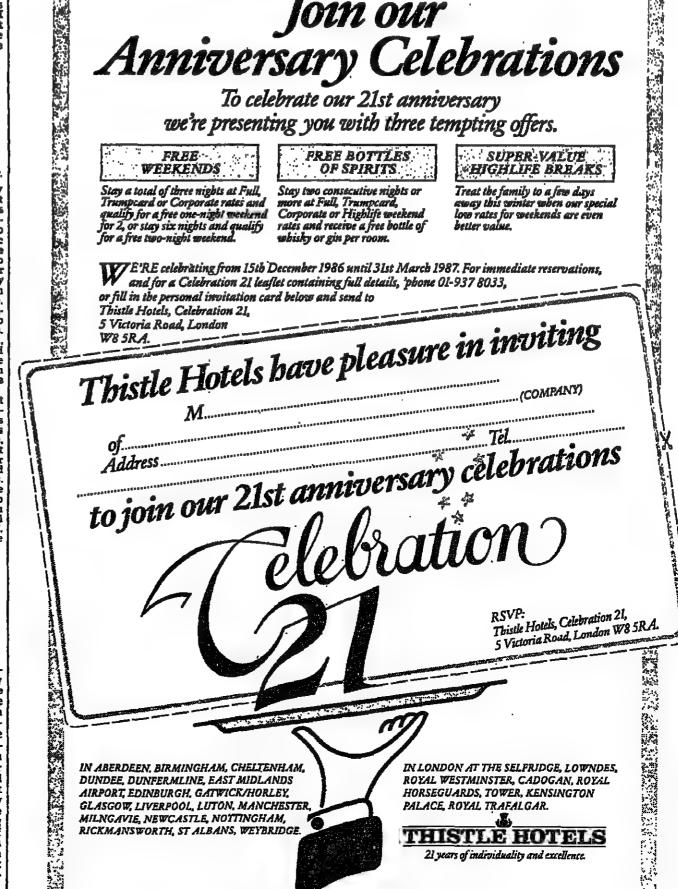
Sir-Mr Scammell (January 29) compares the management charges of personal equity plans with their tax benefit and con-cludes from this there are no financial benefits to the basic rate taxpayer. We would argue that this does not do justice to the arrangements. Take for example product which simply wraps the PEP provision around a unit trust purchase. In this case a very direct com-parison is possible between two competing savings products.
The PEP version must win, albeit by a whisker, and should be bought therefore, since the tax witheld on the distribution by the unit trust is reclaimable within the PEP.

It is the capital growth that professional investment mana PEP its added attraction. PEPs have opened the way for people, with a comparatively modest amount to invest, to have their money professionally managed at highly competitive rates. Over time we believe, and there is all the historic evidence to support the belief, that an equity based investment will beat a deposit. With tax relief, however small, the advantage M H Dinning. 51-69, Ilford Hill, Rford, Essex.

How not to teach mathematics

From Mr P. Macaskie

Sir,-Michael Dixon in Lombard (January 30) makes a very unfortunate choice in the example be chooses to criticise the numeracy of the English population. He states that one-third of a representative sample of the adult population were defeated by the question: "If you bought five Christmas cards for 65p how much would each card cost you?" This is surely not a test of numeracy but a study in logical interpretation of the English language. On posing the question to a sample of merchant bankers, I was given three answers, all of which could be justified, showing that the question could be inter-preted in a number of ways. Patrick Macaskin instabilities which have fol- 28 Cathnor Road, W12.





FINANCIAL TIMES

Thursday February 5 1987

a fully integrated banking service

David Buchan chronicles the effects of a 'medieval' Official Secrets Act

Britain: the secretive society

THE BRITISH government is currently being rocked by its second major secrecy row in two months. First came the struggle to suppress the memoirs of Mr Peter Wright, a former security service officer, in a court in Sydney, Australia. Now, there is an all-out effort to track down the leak - to Mr Duncan Campbell, a journalist - of the secret Zircon satellite project, a leak about which the Government probably knew six months ago. Police have ransacked BBC offices, and Mrs Margaret Thatcher's Government has been accused of police-

state methods.

Revelations by intelligence officers, even retired ones and disclosure of secret satellite plans would be news in any country. But they are perhaps of particular public in-terest and especially sensitive to the government, of a relatively secretive society.

That Britain is such a society is clear. Not until the publication in 1963 of the report by Lord Denning was it confirmed publicly that Britain had an internal security service (MI5) and that it answered to the Home Secretary. Not until the trial of Mr Geoffrey Prime fore spionage in 1983 did the Government admit that the big building with the funny dishes on top on the outskirts of Cheltenham in Western England was the GCHQ electronic intelli-gence gathering operation. (The Government then managed to keep GCHQ on the front pages by banning trade unions there).

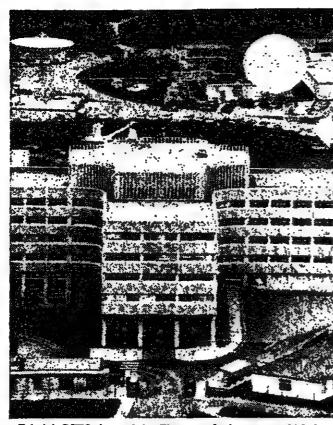
Also successive British govern-

ments have never formally admitted the existence of the MI6 external intelligence service. "What is MI6?" asked Sir Robert Armstrong, the Cabinet Secretary, at the Wright trial in Australia.

Bemused foreigners might wonder why Britain's famed "mother of parliaments" had not required some parliamentary accountability and disclosure of the British national security apparatus. They might also ponder why the British establishment, which used to embrace the fourth estate (the press), could no longer work its behind-the-scenes magic to hush up such leaks. But they might be really puzzled as to why a government armed with a draconian Official Secrets Act should be so inconsistent and/or tardy in taking action.

These three issues - lack of par-liamentary oversight over intelligence, failure of voluntary press censorship and government incon-clude, in its annual statement to the sistency - are all brought together committee of major defence proin the Zircon affair.

become Britain's best know exposer and Treasury and departmental of military secrets, not, he insists, ministers had authorised developout of any intention to damage na-tional security, but in response to inflation-adjusted to £250m), or for the public's right to know what its government is up to. He first hit exceeded £10m. Mr Campbell trouble in 1977 when he was prose-



Britain's GCHQ electronic intelligence gathering centre, which the rould not admit existed until forced to do so in a major espionage trial in 1983.

cuted, and conditionally discharged, mants, Zircon fulfilled both these for revealing details, learnt from a criteria.
former soldier, about British listening posts in Cyprus. Since then be has plugged away, writing about GCHQ, British war planning, Gov-ernment nuclear fallout shelters

But he regards Zircon as his most important exposé because, he argues, it touches the constitutional issue of deception of parliament. In fact, it is not easy to find an intelligence or classified national security area on which the British parlia-

mons Public Accounts Committee was so incensed at discovering that £1bn (\$1.52bn) had been spent on the highly-classified Chevaline improvements to Polaris nuclear warheads without the committee knowing anything about it, that it forced a new arrangement on the Defence

As a result the ministry would inn the Zircon affair. grammes, projects for which pro-The 34-year-old Mr Campbell has ject definition had been completed

will be the arrangements made for settling the 327,000 liability claims

outstanding against Robins. The shield, a form of intra-uterine de-vice or "coil," was marketed throughout the world for many

years until it became apparent that

ministry does not want to see in public print are covered by a sepa-rate arrangement between the committee and the National Audit Office, a statutory body responsible to partiament but with access to nearall executive department files. Sir Gordon Downey, the Comptroller and Auditor General, who heads the NAO, is supposed to tell Mr Robert Sheldon, the committee chairman, confidentially about such sucret projects. But Mr Sheldon said the first he knew of Zircon was when Mr Campbell told him last October, months if not years after Zir-

con got going.

The murkiness with which Britain - and other countries - conceal intelligence funding makes it possi-ble for Zircon to be financed in part out of the "secret vote". This is the sum of money - £81m in 1985-86 - voted for the intelligence and security services.

Only the total of the secret vote is published. The NAO does not audit t. The Comptroller and Auditor General simply states each year that he has received certificates from the ministers responsible the foreign and home secretaries that the money has been spent for proper purposes. It is an accounting method which, a Cambridge historian of the intelligence services has_ tion if employed by public compa-

Accountability of the intelligen and security services had already been made an issue by the Wright affair. Should Britain follow the recent example of the US, Canada and West Germany in creating some legislative supervision of the intelligence and security services? The opposition Labour and Alliance parties pushed for this in a House of Commons debate in December.

Parliamentary oversight would

wever, mean formally owning up to MI6's existence, a step which MI6 feels would hamper it in com-peting in the world of espionage. MI6 may not be able to pay as well as the CIA and other Western services, but it could always offer agents and informants the prospect of silence to their grave.

The Zircon affair has also under lined how defunct the D notice system now is. This is a system where by a government committee, or which the media are represented sends out periodic requests (D notices) asking the press not to comment on certain matters. In theory a D notice should have caught the Zircon story, given the ample warning the Government had of the pro-gramme on it which Mr Campbell was making for the BBC.

Ironically, Mr Alan Protheroe, the BBC assistant director general who is leading the protests at police raids on his corporation's Scottish offices, is a member of the present D notice committee. In the event,

But no D notice relating to Zircon was issued. The New Statesman magazine published a Zircon article by Mr Campbell, and the 33,000 copies of that article gave the public a fair idea of what all the fuss was

tem of informal self-censorship goes largely unused and certainly unheeded stems from growing pub-lic criticism of what lies behind it— the 1911 Officials Secrets Act. This is drawn so widely, many feel that it can cover anything that would cause a government political em-

Because this view has come to be shared by many juries, if not judges the act is likened by Mr Peter Hennessy, a specialist on Britian's offisecrecy, "a medieval cannon,

those who use it."

It is therefore perhaps not surprising that the Government was so slow to respond to the "signals" which Mr Campbell says he gave the Defence Minister, and indeed to Sir Michael Havers, the Attorney General, about his Zircon programme plans as long ago as last July.

Heroin and hired guns fuel ethnic strife in Karachi

By John Effott.

kov rifles are for sale in the city bazaars from Rupees 1.000 (\$2.72) or for hire at about Rs 300 a day pee each. Heroin is cheaply avail-able at well known retail and

The railings around the provin-cial parliament buildings, where all the 11 opposition members were arrested recently, have been covered with berbed wire and the iron gates

This is not Beirut but Karachi once a proud and prosperous com-mercial port of the Indian subcontinent. Now it is the most troubled of Pakistan's major cities where a lack of urban infrastructure, a corrup administration, a thriving narcotics trade and easy availability of guns have led to violent clashes between lifferent ethnic groups.

Karachi is accustomed to sporae ic riots between Islam's Shia and Sunni sects, as well as student vio lence and stormy political protest. But in the last three months it has seen widespread ethnic riots for the first time. In December they left over 160 people dead and led to cur-fews which shut industries and the port for nearly six weeks.

In the past few days about eight more have died in the troubled centre of Orangi, a sprawling, make shift settlement of 1m people split into ethnic camps. Like some other areas of the city, it is virtually de-

oid of government of tends to the control of the co be dominated by allegations of drug and gun-running gangs, of high lev el government corruption and by feer of where the general break-down in law and order will end. Karachi, located near the mouti

of the Indus river on the Arabian See was Pakistan's first capital af-ter partition from India 40 years ago at the end of British rule. It is now the country's commercial and industrial centre, the only major seaport and the capital of the politically turbulent, bandit-ridden souonly marginally more dangerous to | then province of Sind bordering In-

It is a microcosm of a relatively new and poor country that has not yet found a national identity stronger than its peoples' provincial and ethnic loyalties, and which has yet to develop a stable political system and an administration that wins respect. It also houses the more ambi-tious of Pakistan's 2.5m to 3.5m refigees from neighbouring soviet-occupied Afghanistan. The socially repressive, military-based Islamic regime of President Zia Ul-Haq serves to compound the ethnic ten-

"In the last three months in this city the people have realised they cannot rely on this government to protect them, so they are arming," says Mr Hussein Haroon, a mem-ber of one of Karachi's most impor-tant political and business families who was removed by the Govern-ment from the job of Speaker in the provincial assembly last year because of his independent views.

The riots have escalated ethnic immigrants to the metropolis - 2m Mobajirs who came as refugees from India to help found Pakistan after independence, 500,000 Biharis who came from Bangladesh and 1.5m Pathans who have swept down from northern Pakistan and dominate transport, property develop-ment and crime. A common resentment against 2m people from the north-eastern Pakistan province of Punjab increasingly dominates the Government and business.

Pakistan's heavy level of defence expenditure – well over 50 per cent of its annual budget – leaves little money for urban development, and so Karachi has expanded services such as bus transport and housing with funds from the private and in-formal sector. This has been increasingly funded by profits from the narcotics trade, dominated by the aggressive Pathans who have earned the envy and wrath of other

Some politicians say the riots are the result of wars between different sections of the narcotics, gun and property racketeers, involving, they alleged deals at the highest levels in the provincial and national gov-

mder-development and a clash of different ethnic interests, complicated by guns and drugs that have flooded into the country because of the Afghanistan war.

The answer is almost certainly a mixture of the two, with the social and ethnic problems forming the background for the gangs and high level corruption, the impact of which has been sharpened by narTHE LEX COLUMN

Post-prandial price rises

That venerable specific, the com-pany visit to a broker's lunch, seems to have done extraordinary things to the ICI share price yesterday afternoon, when about 4m shares were traded in the course of an hour, during which the shares also moved up by 45p. Since the end of hunch in London roughly coincides with opening times in New York, good news at that time of the day - in this case, of substantially higher profits, or at any rate of ris-

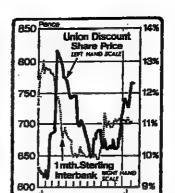
The market is genuinely taking a second look at several major pharmaceutical research stocks, discovering earnings potential on its way through the research pipe-line, and raising multiples accor-dingly. Part of the enthusiasm for Glamo is due to the increased visibility of life beyond Zantac, a worry to shareholders until late last year. And ICI - also with an interesting research portfolio - is nowadays the London market's closest substitute for Glaxn, Similar in price and capitalisation, the two shares can scarcely be distinguished in their

The shares would not be moving so fast if the market-makers were not rather short of stock. Multiplimakers has not altered their way of dealing with this problem; move the share price up until the pain stops. Which it must do sooner or later.

Union Discount

Raising post-tax profits by get-ting on for 1,000 per cent is not a trick Union Discount is likely to perform twice in consecutive years. Splendid though a recovery from fil.1m to £10.8m is, it serves as a reminder, if such were needed, of the volatility and therefore low quality of earnings. The next move in Union's profits, like that in interest rates, could be up or down.

That said, Union made the most of the good times in the first quar-ter of 1986, and managed to make. profits even in the tougher patches when some discount houses were losing money. Arguably, with the futures, a discount house should be exceptional circumstances, so long as it gets interest rates tolerably right. And smoothing, via the inner reserve account is a wonderful



thing. While 1985 figures were wholly unsmoothed, last year's were probably decidedly flattened, and 1987's dividend is already

covered one way or another. But for Union to convince shareholders that it will achieve its aim of more stability in the return on equity, it must spread some capital to its non-discount house activities without starving the basic business without starving the pasts distiness. It is encouraging to see leasing profits topping £1m, with the hint of a doubling in 1987, while the futures subsidiary should begin to chip in. Gilt-edged trading should be more profitable now that commissions ive gone and spreads narrowed The market will nevertheless take more persuading, or a much clearer cepts much less from the shares than their 7.2 per cent historic yield, after yesterday's 17p rise to 785p. trend in interest rates, before it ac-

I hyssen

The strength of Thyssen's share price for most of last year was apparently based on the belief that here was the steel company least hostage to the vicious cycle of the steel industry. Yet since the company revealed in December that its mass steel subsidiary had made a loss in the first quarter of the current fiscal year, the company's mar-ket value has been reduced by a quarter. Less charitable souls will quarter. Less charitable souls will through to a 5p rise in the compa-dismiss the inference of paradox my's share price on Tuesday. But and suggest rather that the German equity market took far too long to recognise the problem of its domes-

The previous year saw the company a bit.

receiving Government subsidies of about DM 170m, whereas in the most recent fiscal year it repaid the state some DM 130m. So the under-lying position could be said to have

improved.

But the currency translation effect looks like being even more pernicious this year. The hints made yesterday of a large acquisition indicate the one obvious way in which a strong currency can be exploited. And with gearing down from 150 per cent to a mere 96 per cent the financial position allows some room

US acquisitions

The picture of gullible British ex-The picture of guinnie British ex-ecutives pouring across the Atlantic to buy herds of white elephants from cunning US marketing men is further undermined by the latest survey from J P Mervis. The survey tots up a staggering \$13.9bn spent by UK companies acquiring 229 businesses in the US in 1986 which pushes up to \$23bn the total spent over the past three years. Consumer products and services formed the largest sector by value in 1986 - due principally to Unilever's \$3.1bm acmisition of Chesebrough-Pond's but financial and corporate services was again the most popular sector by number of acquisitions and sec-ond in value, while the value of building products purchases has in-creased fourfold over 1985.

The growth in volume alone suggests that the well-publicised finger-burning of Midland Bank and Imperial Group has not been representative and indeed the Mervis an-alysis of how the 1981 acquisitions have progressed claims - albeit us-ing a somewhat unclear criterion that successes exceed failures by four to one: not a bad record given acquiring a foreign business

Football finance

Tottenham Hotsour's 5-0 thrashing of West Ham immediately fed the investors, supporters all, seem less quick to react to off-the-field Yesterday's announcement of net tion of Diago Maradona sounds om-profits down from DM 472m to DM incusty like a 1 for 1 rights issue, 370m may not be as bad as it looks. yet the share price has flinched not

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Dalkon Shield group faces takeover offer

BY ANATOLE KALETBKY IN NEW YORK However, the real key to any deal

A. H. ROBINS, the US health care company which has been operating under bankruptcy protection because of product liability claims related to its Dalkon Shield contraceptive, received a takeover proposal vesterday from American Home The offer, which comes just a day

ruptcy court for Robins to file a reorganisation plan, was welcomed by Robins as a significant proposal," and Robins' stock price jumped immediately from \$12% to more However, neither company would give financial details of AHP's offer,

except to say that it includes provisions for compensating Robins' creditors, would be tax-free for Robins' stockholders and would set up a trust fund for the alleged victims of Robins also said that it would ask

the bankruptcy court for a 14-day extension of its reorganisation deadline. Any takeover would need to be approved by the court.

Saudi Arabia 'funded rebels' in Awacs deal

BY LICHEL BARBER IN WASHINGTON

buy the sophisticated Awacs earlywarning radar system, it was re-

its use was related to reproductive before a deadline set by the bank- injuries, infertility and occasionally even death. In 1984 Robins established a reserve of \$815m to deal with the deluge of compensation claims, but it rapidly became clear that the actual level of settlements was likely to be much higher and Robins filed for protection from creditors under

Chapter 11 of the US bankruptcy however, for punitive damages or claims outside the US. In its quarterly results, Robins, whose other pharmaceutical operations remain profitable, has repeatedly been forced to take additional charges to cover compensation claims beyond

the levels assumed in the reserve.

SAUDI ARABIA agreed in 1981 to ly approved by the US Senate by 52 fund anti-Communist rebels around . votes to 48 in 1981. fund anti-Communist rebels around the world as part of the deal with the US that allowed the Saudis to

The arrangement is said to have been drawn up by King Fahd, the Saudi ruler, and other top Saudi of-ficials and the Reagan Administra-tion. It is said the Saudis agreed to fumuel millions of dollars to resistance movements in Angola, Afghanistan and Nicaragua.

York Times quoted several present and former US officials familiar with the sale. The report also quot-ed an unnamed Californian who said he had turned down a direct request from King Fahd to be a conduit for up to \$15m of sid to the Contra rebels in Nicaragua.

The \$8.5bn sale of Awacs aircraft, the most sophisticated US airborne

Senate approval followed assur-ances by the Reagan Administration that it would guarantee Israeli military superiority and ensure that the Americans would operate some of the aircraft's most secret components. But there was no mention at

the time of Saudi willingness to support anti-Marxist rebei groups.
The Saudi Arabian Embassy in Washington yesterday issued a statement from its Ambassador, Prince Bandar bin Sultan, which said that his country had not been and was not now involved directly or indirectly in supporting the Contras with military or other aid.

The White House also maintained esterday that no evidence had been uncovered to link the sale of Awacs to Saudi Arabia with a Saudi agreement to aid anti-Communist rebels around the globe. Mr Marlin Fitzwater, the White House spokesman, said "We do not have any in-

early-warning system, was narrow-quid pro quo" in the Awacs sale.

Continued from Page 1

b/d for Caltex (Texaco and Socal's limited. The market took this as a joint operation in the Far East). big yawn. It is more like an insur-Since the nationalisation of ance policy than anything else," Aramco, jointly owned Stemco has said one trader in New York. provided vital services to the Saudi Crude Oil prices have been

Lucy Kellaway adds: Yesterday's being depressed by the milder news failed to support oil prices, weather in Europe and in the US. In which during the past few days London yesterday gasoil futures on have weakened sharply. In London the International Petroleum Expesterday the price of Brent crude

for Exxon, 300,000 b/d for Mobil, were so many escape clauses in the 200,000 b/d for Texaco, and 250,000 contract that its impact would be

operating company on a per-barrel pushed down over the past few days by falling product prices, which are

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World Weather

Oil groups in deal

under Opee's latest production est price so far this year, and more sharing system. This sets a ceiling of 14.334m b/d on the output of 12 of the 13 members (excluding Iraq).

Traders questioned the significance of Saudi Arabia's agreement the 13 members (excluding Iraq). ance of Sazdi Arabia's agreement.

Contract volumes are 440,000 b/d with Aramoo, and argued that there

forts to fulfil its quota of 4.113m b/d fell about 40 cents to \$17.70, its low-

cotics from Afghanistan and guns siphoned off from the Afghan resis-

change

who leaves on March 5 after

Currently vice-president of

in Rome, 48-year-old Mr Valiani has also recently been

He takes over a group with highly diverse interests rang-ing from food production to acrospace which has suffered

heavy losses in recent years.

heavy losses in recent years.

Under Mr Sandri, EFIN's deficits have been cut from L510bn (some \$400m) to around L145bn last year on a turnover which has risen from L4,249bn to L4,627on (\$3.5bn), The group expects to break-eyen in 1987.

ARABIAN OIL COMPANY, the Japanese oil producer, with a Middle East base, has promoted Hiromichi Esuchi, 63, president, reports Kyodo

from Tokyo. Mr Eguchl is to succeed Mr Jin Miyazaki, 66, who is to be chairman.

three years at the helm.

maker, has further cemented its C\$20m (US\$15m) investment son's Bay and Annings in 1974, links with De Havilland Aircraft programme at DHC's factory became finance director in 1975, appointing Mr Ronald Woodard appointing Mr Ronald Woodard, Materiel division, as president Materiel division, as president payroll in the past year from of the Toronto-based commuter 4,400 to 5,800.

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sion of its new twin-prop Dash 8 aircraft.

mpany of Canada (DHC) by north of Toronto. After laying pointing Mr Ronald Woodard, off almost half its workforce in vice-president in Boeing's 1982-83, DHC has expanded its

aircraft manufacturer.

Mr Woodard, aged 43, options has been placed for the succeeds Mr William Boggs, who original Dash 8-100 model, with

stable footing and to oversee its privatisation.

Boeing bought DHC a year ago, and has moved quickly to put its own stamp on the company by changing administrative, financial and operating procedures. Its priorities are reflected in the fact that Mr Woodard's most recent positions in Seattle have centred on manufacturing systems and sales. A research chemist by training, Mr Woodard joined Boeing in 1966.

Mr Boggs. aged 68, will remain on DHC's board and help Mr Woodard in what Boeing calls "the next phase of the transitional process."

DHC, plagued by debt and a slim order book prior to the Boeing takeover, is now enjoying a revival. Sales have risen sharply and the company has begun work on a stretched version of its new twin-prop Dash 8 aircraft. HUDSON'S BAY COMPANY,

Finnish Fur Sales has appointed Mr I. W. Allely to succeed Mr Dwan as managing director of Hudson's Bay and

at EFIM By John Wyles in Rome MR ROLANDO VALIANI has been appointed president of EFIM, the Italian state holding company, in succession to Mr Stefano Sandri

DU PONT COMPANY, the Delaware - based chemicals-based concern, has appointed Mr Edgar S. Woolard, Jr to the new positions of president and chief operating officer, with effect from March 1, reports

HBC's iternational fur division

Mr Woolard, 32 years old, is currently vice chairman in charge of Du Pont's chemical businesses.

His apointment coincides with the decision by Mr Ralph E. Balley to step down as the com-pany's other vice chairman. Mr Bailey, who will be 63 years old when he retires, is responsible

Mr Woolard is to assume con-trol of both the energy and chemical businesses, thus eliminating the two posts of vice chairman, Mr Constantine S. Nicandros ts to become president and chief executive officer of Conoco, the Du Pont oil subsidiary, also on

March 1.
Mr Nicandros, 53, is currently president of worldwide petroleum operations for Conoco. Mr Bailey will continue as a mem-ber of the board.

Intel chooses new **Presidential** chief executive

BY LOUISE KEHOE IN SAN FRANCISCO

INTEL CORPORATION, one of the transistor, to join the fledg-the largest semiconductor manufacturers in California's laboratory, where the first comsonauced that Dr Andrew S. Grove, president and chief executive operating officer is to Fairchild Semiconductor, Silibecome chief executive officer

in April.

Dr Grove is to succeed Dr E. the Faculty of Economics and Commerce at one of Italy's private universities, the Luiss Moore, a co-founder of the com-pany and chief executive since 1975. Dr Moore is to remain chairman of Intel.

economic policy adviser to the Italian Social Democratic Party which has the most powerful voice in determining the choice of the EFIM presi-"I am a believer in smooth chips. management successions, and since Andy and I have worked together interchangeably for years, I expect this will be one of the smoothest on record,"

con Valley's first chip company. In 1968, he and Mr Robert Noyce founded Intel. In the 1970s, Intel transformed the computer industry with its In-ventions of the microprocessor

Dr Grove, who has been with Intel since its early days, has long been responsible for the

together interchangeably for long been responsible for the years, I expect this will be one of the smoothest on record," says Dr Moore.

Dr Moore has, as a co-founder of Intel, a central figure in the development of Silicon Valley, the area of California which has attracted a high concentration of electronic chip makers. He was among the group of young scientists and column, "Managing at Work" is high concentration of electronic published this spring. His chip makers. He was among the weekly management advice group of young scientists and column, "Managing at Work" is engineers recruited by Mr carried in several US news-William Shockley, co-inventor of papers.

Maersk picks new chief

MR N. J. IVERSEN has been at ecompany—the Maersk Company of the director pany (Singapore) Pte—for the and Mr PER STAEHR has been past five years and prior to that elected to the board of The was executive vice president of Maersk Company, Denmark, Moller Steamship Inc in the US. parent company of the Maersk Mr Staehr has been general UK Group. Mr Iversen has been technical manager of Maersk managing director of an associ-

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Pharmaceutical Manufacturing Establishment Package to £30,000 Ware, Herts

Glaxo is one of the world's leading pharmaceutical companies and has an enviable record of achievement. Some 2,000 people are employed in manufacturing and research activities at the Ware site, which is currently undertaking a major capital investment programme which will place it amongst the most advanced secondary manufacturing units in the world.

The Company wish to appoint a Head of Finance, who will report to the Site Manager and be responsible for a department of some 30 people. As a member of the Site Executive Team, he or she will be expected to make a major contribution to policy and management. A proven record of identifying and implementing initiatives to improve cost performance and the ability to control a multi-million pound capital expenditure programme are prerequisites for the position.

Candidates, ideally aged between 30-40, must be qualified accountants, or hold an MBA, with a broadly based financial background and significant experience in a manufacturing environment. Career prospects are excellent either within financial or general management.

The Company offers an autractive package and benefits include a company car, non-contributory pension. scheme, BUPA, and assistance with relocation where appropriate.

Written applications, enclosing up-to-date CV, should be submitted in strict confidence to Eric Sutton or Carol Saunders at our London address, quoting reference no. 1044/7417.

ACCOUNTANCY & MANAGEMENT RECRUITMENT CONSULTANTS OUGL

LONDON · LIVERPOOL · MANCHESTER · ABERDEEN · EDINBURGH · GLASGOW · DUBLIN DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS TELEPHONE: 01-836 9501 .

Financial Controller

c £20,000 plus car

Management Consultants

homson McLintock

70 Finsbury Pavement London EC2A 1SX.

Our client is a subsidiary of a European electronics company recognised as a leader in a fast moving and competitive field. The Company has invested heavily in advanced technology and is constantly developing new products.

Based in the south-east, the UK subsidiary is small but growing fast and is now seeking a Financial Controller to strengthen the senior management team. Reporting to the Managing Director and responsible for the development of financial controls and systems to meet the demands of an expanding business, the successful candidate will provide key input into management decision making and strategic business planning.

Candidates will be qualified accountants, aged around 30, who can demonstrate both commercial awareness and a successful track record of financial management in a production related environment. Experience of computerised systems is essential and some knowledge of foreign exchange would be usefut.

For the right candidate, the position could lead to a board appointment in the future. Immediate rewards include a salary of c £20,000 plus a car and benefits.

if you have the experience and qualifications necessary, please write in confidence to Joanna Corr (ref: 7141).

AT A CAREER CROSSROADS?

Hill Samuel Investment Services Limited requires Executives aged 30-50, in London and Home Coun-ties, to be trained to offer a wide range of financial services to busi-necamen, professional intermediarles

Send ev to: David Mear HILL SAMUEL INVESTMENT SERVICES LIMITED

Appointments Advertising

£43 per single column centimetre. Premium positions will be charged £52 per single column centimetre.

For further information call:

Jane Liversidge 01-248 5205 Daniel Berry 01-248 4782 Emma Cox 01-236 3769

Treasurer

International Stockbroker

London £40,000 - £50,000 package including car

This is a new appointment with one of the leading independent stockbrokers in London. The group has built up a reputation for the excellence of its expert advice on international markets offered to clients, both institutional and private, which has enabled it to maintain its independence in this competitive market place.

With significant growth in the size of their operations worldwide, they now seek an individual capable of running the newly formed Treasury Department which services an international cash flow in excess of \$1 billion.

For this position we are seeking a qualified accountant aged 30-45 with a proven track record in international treasury management and who would be able to play a key role in defining and implementing systems and generally organising and establishing this new department. Experience to date should include a sound knowledge of most common FX transactions and money market instruments as well as a good

understanding of microcomputer

based financial modelling systems.

The remuneration package for this

particular role will reflect the experience of the individual, although for the exceptional candidate salary will not be a bar to recruitment.

Candidates interested who possess the relevant qualifications and experience, should write enclosing a full CV, and details of current salary, quoting reference MCS/1024 to Michael Madgwick
Executive Selection Division
Price Waterhouse Management Consultants No 1 London Bridge

Price Waterhouse



FINANCE DIRECTOR

STRONG GENERAL MANAGEMENT BIAS

City

Our dient is one of the largest independently owned Stock Exchange companies. It has experienced considerable growth in recent years, both organically and through aggressive acquisition.

A Chartered Accountant is required who, in addition to acting as Finance Director and ensuring that all stock exchange reporting requirements are met, will work closely with the young, entrepreneurial Chairman and assume responsibility for a range of general management tasks.

Candidates must have strong 'people' skills; be confident, energetic Package c.£75,000

and tenacious and have the ability to cope with, and prioritise, a wide variety of financial and administrative

Previous experience in the financial services sector is essential, including familiarity with Stock Exchange requirements. The remuneration package is negotiable and could include equity after a qualifying period. Candidates are already likely to be in a senior role in the City and unlikely to be earning less than c.£50,000.

Please write in confidence, quoting reference 7501/L, to Valerie Fairbank, Executive Selection Division.



Peat, Marwick, Minchell & Co., 165 Queen Victoria Street, Blackfriam, London EC4V 3PD.



Controller -Management Audit c£30,000 + Car Leeds

ASDA STORES is the rapidly expanding £2bn t/o superstore retailing Division of the ASDA/MFI Group. As part of their continuous commitment to improving and increasing the professionalism of their finance function and technologically advanced control procedures, they wish to appoint a Controller— Management Audit.

This newly-created position carries a brief of profit maximisation and will entail responsibility for the development of the existing audit function (27 staff), both at store and Head Office level. Key areas of involvement will include the implementation of new control techniques, (particularly in the field of computer audit), development of a team of profit-orientated Internal Consultants,

participation in formulating the company's financial strategy and contributing to overall management of the business. Career prospects are excellent.

Candidates, aged 30+, should be graduate ACA's, with in-depth knowledge and experience of the latest audit techniques applicable to highly sophisticated. computerised systems, together with the personal presence, highly developed communication skills and commercial awareness required to operate successfully at Executive level in a major group.

Generous relocation facilities are available where appropriate. Interested applicants should write to Alan Dickinson ACMA, quoting reference 7052, at Michael Page Partnership, 13/14 Park
Place, Leeds LS1 2SJ. (Tel: 0532 450212).

Michael Page Partnership

International Recruitment Consultants London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

DIRECTOR **OF** LEGAL SERVICES

City

c£50,000

As a lawyer with a sound grasp of corporate law and a practical approach to legal and organisational problems, you will be attracted by the post of Head of Legal Services. This is a new appointment to manage and develop an expanding department, and become the principal adviser to the Board of a body which will function under the Financial Services Act.

The vacancy will be particularly attractive to legal practitioners, with a contentious or non-contentious background, who are stimulated by the challenge of impending regulatory changes. Ideally aged over 35, you will already be established in a successful career and would welcome the opportunity to hold a post of distinction.

For further information contact Anita Doswell of Reuter Simkin at 1, Gracechurch Street, London EC3V ODD, telephone: 01-626-2041, who has instructions to prepare a shortlist. Please quote Reference C233.

REUTER SIMKIN

LONDON . LEEDS . WINCHESTER . BIRMINGHAM

F. D. DESIGNATE - FOOD SECTOR

West London

Our client, a specialist FMCG Company is making rapid progress towards a USM listing. With current turnover approaching £8 million, they have an envied reputation as the innovative force in provision of food and drinks to the travel and catering industry.

The role of F. D. Designate carries full responsibility for an Accounts Department of ten staff, headed up by the Company Accountant. Due to the characteristics of the business, the position will require extensive liaison with the marketing, operating and purchasing functions, as well as an involvement in developing the company's acquisition policy.

c£30,000 (Package) + Car

It is essential that interested applicants hold a suitable accounting qualification and have recent exposure to the food industry or related sectors. The successful candidate is also required to be computer literate as the company is extensively computerised.

The position, which will carry full Board status within six to twelve months, offers an attractive salary package including a profit share scheme and fully expensed car. A share option scheme is currently under negotiation.

For further information please send a current C.V. to Jane Griffiths at the address below, or phone her on 01-930-7850.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS 66-68 Haymarker London SWN 4RF Telephone: 01-930 7850

London

These appointments have arisen within the dynamic and rapidly expanding Treasury department of a major British group, involved in financial services, property and a range of trading activities in the United Kingdom, Europe

TREASURY APPOINTMENTS

The Department is progressive and offers the opportunity to work with a dedicated team of professionals in the development of corporate treasury management. Career prospects are excellent.

Treasury Accountant

This represents a first class opportunity for a qualified accountant with 1-2 years' treasury experience or candidates who have decided their careers will go in this direction and have a keen interest in financial markets, corporate financing and International business. Candidates must have good experience of microcomputer techniques. Ref: 1042/7416.

Dealer/Analyst

This is a key role with responsibility for foreign exchange dealing, day to day cash management and management reporting. Ideal candidates should have relevant experience, be of graduate calibre, be numerate, and be capable of using their own initiative. Familiarity with microcomputers would be an advantage. Ref: 1043/7416.

Written applications, enclosing up-to-date C.V., should be submitted in strict confidence to Eric Sutton or Carol Saunders at our London address, quoting the relevant reference no.

ACCOUNTANCY & MANAGEMENT RECRUITMENT CONSULTANTS AS 🕮 OUGL

LONDON - LIVERPOOL - MANCHESTER - ABERDEEN - EDINBURGH - GLASGOW - DUBLIN DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS TELEPHONE: 01-836 9501

THE FINANCIAL TIMES

has a vacancy for an

Accountancy and Tax Correspondent

Applicants should be experienced financial journalists familiar with company accounts and able to write clearly and interestingly about complicated issues. On the accounting side, the post will involve a steady flow of news reporting on developments within the profession and within firms, regulation and accounting standards, as well as features and analyses when appropriate. On the tax side the brief will include news and analysis, including contributions to the Weekend FT. Applications, together with a full curriculum vitae and some examples of recent work, should be sent by February 11 to:

Michael Hand, Assistant Editor Financial Times, Bracken House Cannon Street, London EC4P 4BY

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

ACCOUNTING IN THE CITY

CHIEF ACCOUNTANT to £35,000 + besseller

As a qualified accountant aged (28-34) with previous experience in a financial services organisation you will need up the accounting function and pioneer systems development within a substantial international banking group operating in securities, real estate and long term loans.

Ref SW0358

> HIGH PROFILE AUDIT to £25,000 + bank benefits

Active in banking, broking and leasing this Active in banking, proking and leasing this major group seeks a recently qualified individual who would like to gather invaluable long term career experience in depth and breadth throughout all major world financial centres.

Ref RSO362

VENTURE CAPITAL EXECUTIVE c£30,000 + substantial benefits

A challenging opportunity exists within a newly created team of a prestigious merchant bank. You will be a young ACA with a record of success in a venture capital/corporate finance environment.

Ref NPO334

MANAGER, ACCOUNTING to £25,000 + bank benefits

The securities arm of an international banking group seeks a recent ACA with financial sector experience. You will be responsible for financial accounting and reporting, and be well placed to progress into banking operations. Ref PWO353

Please contact Sarah Wainman, Telephone: 01-256 5041 (out of hours 01-881 5983)





Financial Accountant

The best of both worlds!



Joining a company that is a subsidiary of the Allied Lyons Group means you can expect the advantages of working within a medium sized manufacturing company as well as the prospects that a global organisation

offers — we call it the best of both worlds!

Reporting to the Financial Controller your responsibilities will range from managing and motivating your team to liaison with the external financial world and the control and co-ordination of the year-end results. As a decision maker who enjoys the accountancy environment you will have the personality to get the most from your staff and the ability to execute workload

with efficiency. ldeally you will be an experienced man-manager with sound technical competence. Your diplomacy and communication skills will have played a part in your present position and you will be keen to extend the

success you have so far attained. As a qualified ACA or ACCA, perhaps making your first move out of the profession, you will be aiming to move into a position which offers security and wide

career opportunities. If this sounds like the future you're looking for please write enclosing a c.v. to: Mrs Jennifer Baker, LINK Management Selection, 24 Buckingham Gate, London SW1E 6LB. Telephone 01-834 3777.

STRATEGIC CONSULTANCY

Banking and **Financial Services Sector**

Age 25+

£75,000

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London Based

£40,000

+Car

Our client is a "worldwide" force in management consultancy, enjoying considerable growth and success within the United Kingdom.

They now seek to recruit several highly skilled graduate senior consultants and consultants with the personal and technical skills to thrive in a fast growing and demanding multi-disciplinary team environment.

Consultants, aged 25-30, should have a minimum of two years experience either within strategy consulting or in participating in strategy formulation within a financial institution.

Senior Consultants, probably aged 28-35, should have an established track record, with a minimum of five years within strategy consulting for financial institutions, covering such areas as:

> The management of change Diversification strategies Organisational effectiveness Marketing strategies

Business development skills are essential at all levels, and only those with exceptional academic and practical work experience will be considered.

In the first instance, please write to Trevor Atkinson F.C.A., enclosing a detailed c.v. and quoting reference BE 3501/7410.

MANAGEMENT CONSULTANCY RECRUITMENT DIVISION

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Finance

Director Designate

c£25,000 plus car

KMG Thomson McLintock

Management Consultants

and bonus

70 Finsbury Pavement London EC2A 1SX

Our client is a small but rapidly expanding company in the leisure industry. Turnover for this year will almost double 1986 figures and the company is highly profitable.

Based in North London, they now wish to appoint a Finance Director Designate to join the small highly motivated management team. Initial responsibilities will include the development of sophisticated management information systems to enable the company to maintain its rapid growth record and diversity into new markets; cash management; and financial input into the preparation of the company's business plans.

This is a significant opportunity for a young qualified accountant to join a successful small company and make an immediate contribution to its growth potential. Candidates, aged around 30, will have previous financial management experience ideally gained in a small company. Experience of computerised accounting systems is essential and candidates must be able to demonstrate excellent computations delile.

If you have the personality and experience to meet this challenge, the prospects are excellent. Please write in confidence, with full details of career to date to: nna Corr (ref: 3211).

DEVELOPMENT CAPITAL SPECIALIST

County Limited is the finance and advisory company of NatWest Investment Bank. In addition to London there are 4 Regional Offices — Leeds, Manchester, Birmingham and Edinburgh. Working closely with London, the Regional Offices are involved in providing finance and advisory services to a wide range of clients from small private companies to large multinationals.

In order to take full advantage of opportunities in the Midlands, the Birmingham Office seeks to recruit an experienced Development Capital Specialist who can make an immediate contribution to marketing, negotiation and completion of equity related transactions.

Candidates will probably be in the age range 28-35, educated to degree level with a professional qualification (ACA, MBA) and with a knowledge of, or an interest in, the Midlands industrial and commercial scene.

If you can meet the challenge and want to know more about the opportunity, send a comprehensive c.v. to: Ian Carlton, Personnel Manager, NatWest Investment Bank, Drapers

Gardens, 12 Throgmorton Avenue, London EC2P 2ES. Initial interviews will be held in Birmingham.

& The NatWest Investment Bank Group

Operational Audit

exceptional career opportunities

ACAs mid 20s/early 30s

Our client is one of the largest and most influential financial groups. The diversity and changing nature of its businesses and reporting systems have created exceptional career opportunities for ambitious young Chartered Accountants.

As members of a high profile team based in the Central London head office you will review and appraise the group's activities, controls and information systems - a wide ranging brief covering the very substantial existing operations, new businesses and recent UK and overseas

These are investigative roles which

£20-30,000 + mortgage etcdemonstrate analytical and communication skills in a

highly computerised environment and, working with management at all levels, make a recognisable contribution to financial control.

Future opportunities are extensive and this function is a well proven training ground for rapid promotion into group or operating company positions.

Applicants should ideally be self motivated qualified accountants who have trained with one of the major professional firms.

Lloyd

Please write with full career details or telephone David Tod BSc FCA

Management
125 High Holborn London WC1V 60A Selection Consultants

Finance Director

Engineering plc

Main Board

Our client is a substantial group of engineering companies with operations both in the UK and abroad. The company is beginning a major development phase under new management and wishes to appoint an ambitious and entrepreneurial Finance Director.

This is an unusual opportunity for a younger candidate to move straight onto the Main Board. You will be expected to make a real contribution to the strategic development of the business as well as taking responsibility for all internal and external financial affairs. You must have all the necessary technical financial skills but you will also have demonstrated your ability to operate on a broader scale.

Please write in the first instance to DDS Recruitment, 4th Floor, 158 Victoria Street, London SW1E 4LB. Under no circumstances will applicants' names be disclosed to our client without

Head of **A**dministration

Our client is a major international leisure complex developer. Its el Capistrano complex on the southern coast of Spain already comprises more than 1,500 high quality villas and apartments, divided into four separate, self-contained villages each with its own full range of services and leisure

The tifth village is now under way and a big building programme is starting. Our client needs a Head of Administration for its development company who will report to the British President in Spain and take complete charge of the company's finance and administration functions. The successful candidate will be aged late 20's upwards, well qualified, and fluent in Spanish. Experience will have included the operation and enhancement of computerised management information and control systems, certainly in the international contracting industry and probably in

Spanish-speaking countries. This is a fast-moving, rapidly-growing operation, and there will be ample room to grow with it. Other benefits will include furnished accommodation.

English schools are available. Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy Hayward Associates, 3rd Floor, Waterloo House, 20 Waterloo Street, Birmingham, B2 5TF, quoting

reference SHA 881. Interviews will be held initially in London and Birmingham.

Stoy Hayward Associates

MANAGEMENT CONSULTANTS A member of Horwath & Horwath International

Finance Director

£40,000 plus - with full executive benefits **North Midlands**

Established for over 25 years as a public company, our client is one of the most successful trading companies in its sector with a turnover in excess of £100m. During the last five years the group has enjoyed average profit growth of over 20% p.a., and it is expecting this rate of growth

The Finance Director will be responsible for controlling the financial health and direction of the group and will be expected to participate fully in the establishment and achievement of the commercial business goals. With functional responsibility for the financial operation of over 20 trading companies – each of which are self accounting – a key task will be to maintain effective working relationships with appropriate operating company management through a blend of high quality advice and involvement.

ideally aged 35-40, you will be a graduate chartered accountant and have a successful record In financial management gained with companies operating in highly competitive market conditions. As well as the highest professional standards you will also need proven management ability, excellent communication skills and a structured and systematic approach to business decision making.

Salary, as indicated, will not be a limiting factor. Benefits reflect the seniority of this main board

If you believe you have the qualities and experience we are seeking, please write in confidence with full career details, including current selary, to J.H. Woodger, ref. B.44078.

MSL international (UK) Limited, 62 Greevenor Gardens, London SW1W 0AW, Offices in Europe, the Americas, Australesia and Asia Pacific,

International Executive Search and Selection

FINANCIAL CONTROLLER/ **COMPANY SECRETARY**

£17,000 + Car Hammersmith

Ideal ground floor opportunity for young qualified accountant (mid 20's) to join small but rapidly expanding sales promotion oriented holding company (PLC) in a friendly, modern environment. Responsibilities will include preparation and reporting of management information direct to Chairman ing of management information direct to Chairman and Managing Director. Experience of computerisation and cost analysis preferable.

> Telephone or write to: The Chairman Appleton Holdings PLC Appleton House 139 King Street London W6 9JG Tel: 01-748 4460

MANAGER - FINANCIAL PLANNING **US MULTINATIONAL**

ACA, MBA 28-33

London

Our client, a dynamic and highly regarded organisation, has a requirement for a professionally qualified financial manager.

Initially the individual will manage the planning function which requires liaison with marketing and operations staff in order to establish strategic longterm and short-term forecasts. It is expected that promotion to Finance Director will occur within

This high profile role within a multinational structure has excellent prospects for rapid advancement within the UK and overseas.

£40k Package

The successful candidate, who will have had financial control or planning experience, should be innovative and enterprising. Well developed interpersonal skills and the ability to work well under pressure are essential.

The remuneration package will include a high base salary, bonus and fully expensed executive car. Relocation assistance will be provided where

For further information please telephone Keith Allen on 01-930 7850 or write enclosing brief details to the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

66-68 Haymarket London SWIY 4RF Telephone: 01-930 7850

LOCAL LONDON GROUP PLC

FINANCE DIRECTOR

from £35,000 + car and share option

The Group's principal activity is the acquisition of commercial properties, their conversion into business centres with full administrative services supporting small office units and their subsequent licensing and management.

The group's founding directors began operations in 1978 and brought the company to a highly successful USM floration last year

By the end of 1987, the group will be operating 16 business centres and generating licence fee income in excess

The pace of this development and the group's flotation have created this opportunity for a qualified accountant to join the company as Director

(designate) and give leadership and direction in all aspects of financial management. There will be a strong initial emphasis on the development of practical accounting policies and the enhancement of computerised systems.

This is a young dynamic company with considerable growth potential and the ideal candidate will have property experience in a fast-moving service sector business. The founders seek someone who can share the rewards of realising that potential by effective management and leadership of the

To apply, please send full career details, quoting reference 4073/L to Mike Smith, Executive Selection

RVEST

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Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriats, London EC4V 3PD.

FUJI INTERNATIONAL FINANCE LTD

Qualified Accountants for...

INTERNATIONAL INVESTMENT MANAGEMENT

Fuji International Finance Limited is the London investment banking subsidiary of one of the world's lergest commercial banks. As a result of its innovative and active involvement in the international capital markets, the company has enjoyed a remarkably successful period of growth, both in volume and profitability of business.

Following the sustained superior performance of its client investments and the rapid increase in the volume of funds under global management, the Portfolio Management Division is providing an increasingly significant element of the company's

To keep pace with these developments, there is an

opportunity for a qualified Accountant to take on a key role within the investment support area. The position carries both managerial and technical responsibilities for a team handling all aspects of international investment accounting. Whilst primarily involved in client accounting, the successful candidate will also have scope to participate in the continuing development of the Division's systems and in its support facilities.

Vital qualities are flexibility and imagination, combined with a professional qualification and previous relevant experience, gained in a similar securities area. In return, our client can offer a competitive salary and benefits package, with excellent prospects closely allied to future growth.

Please apply directly to Felicity Hother on 01-606 1706

Anderson, Squires Ltd., Bank Recruitment Specialists, 127 Cheapside, London ECZV 6BU Anderson, Squires

Accountants

At BP Exploration our extensive oil and gas discovery programmes continue to meet with considerable success — not just in the North Sea, but on the UK mainland and in many other parts of the world.

With the level of investment involved, it is vital to manage judiciously every aspect of every activity. Our consequent introduction of new systems and expansion of planning and control activities has created a need for several well motivated people in a wide variety of areas: information systems development, project control, supervision of overseas activities, shart-term planning and performance

Initially, you would be based at our offices in either the City of London, Southern England or Aberdeen. Such is the nature of our business, however, that you would be assured of travel both nationally and internationally, and as your career develops an overseas assignment would be a very real possibility. Whether you have only recently qualified, have just begun a career in financial management, or are a seasoned professional, as long as you have the right blend of personality and commitment we can after you high satisfaction, with a salary and benefits package to match.

If you would like to explore the possibility of joining us, please write or telephone for an application form to Jean Coombes, Senior Personnel Officer, The British Petroleum Company p.L.c., Britannic House, Moor Lane, London ECZY 9BU.

BP is an equal opportunity employer.

BP Exploration Limited

INTERNATIONAL AUDIT 220,000 to 224,000 + Car

Our olient, an international Financial Services group is curre-recruit ayoung graduate Chertered Accountant for their head office ope the city of London. The role will focus on financial and management includes computer audit and project reviews. Travelling on seeing approximately 30-40% throughout the year covering all major financial be able to compunicate at the highest level and also be able to de initiative and independence while on assignment.

The group regards the international Audit Services as the devel Senior accounting role in the group's Landon office or oversees.

The renumeration offered will be dependent upon experience and will company can non-complibutory penalton scheme and mortgage subsidy.



ACCOUNTANCY ASSOCIATES LIMITED

Newly Qualified Accountancy **Appointments**

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent PII examinations. We propose to publish the list in our issue of Thursday, March 5, which will also contain several pages of advertisements under the heading "Newly Qualified Accountancy Appointments." The advertising rate will be \$48.00 per single column centimetre. Special positions are single column centimetre. Special positions are available by arrangement at premium rates of £52.00

Guide to Recruitment Consultants

and entries in the Guide will be charged at £65.00 which will include company name, address and telephone number.

For further details, please telephone Louise Hunter on 01-248 4864 Jane Liversidge on 01-248 5205 Daniel Berry on 01-248 4782 Emma Cox on 01-236 3769

EUROPE'S BUSINESS NEWSPAPER

International Audit

Attractive benefits package + car Brussels

Our client is a successful US industrial group (turnover USD 2.7 bn) with rignificant interests in the chemical sector

in Europe. The regional audit function is based in Brussels and is responsible for the performance of financial reviews of subsidiaries and joint ventures in Europe.

As a result of an internal promotion within the group, our client seeks two senior auditors to undertake the planning and performance of audits. In addition to financial audits, there will be exposure to systems and operational reviews as well as some investigation work.

This challenging role which has considerable exposure to senior

management involves a significant travel content.

Candidates (m/f) should be assed 26-35, having gained audit experience within a large public accounting firm or an industrial group. You should be fluent in English together with one other European language and should hold a recognised accounting qualification and/or a university degree. Interested applicants should contact Frank Van de Voorde on Brussels 010 322 648 13 84 or send a comprehensive curriculum vitae to Michael Page

International, Avenue Louise 350, Box 3, B-1050 Brussels,

Michael Page International

London Brussels New York Paris Sydney A member of Addison Consultancy Group PLC

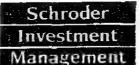
Investment Research (Chartered Accountant)

Schroder Investment Management Limited is a wholly-owned operating subsidiary of J. Henry Schroder Wagg & Co. Limited, one of the leading U.K. merchant banks, and we are looking for a recently qualified chartered accountant seeking a career in investment research and fund management.

Candidates should hold an upper second class honours first degree and have passed all their professional examinations first time, preferably with one of the major accounting

This is a particularly challenging position suitable for someone of above-average all round ability who is attracted by the possibility of rapid advancement. Career prospects within the Company and the Group are excellent. We are offering a competitive salary together with an attractive range of benefits including mortgage subsidy, a generous non-contributory pension scheme, free functies in our staff restaurant, and good holiday entitlement etc.

Applications, which should include a full curriculum vites, will be treated in complete confidence and should be made to: Mr. John R. Lambert, Director of Operations, Schröder Investment Management Limited, 36 Old Jewry, London EC2R 8BS, quoting reference



Schroders

Financial Accountant

Financial Services

c.£18k + Banking benefits

This is an excellent opportunity for a recently qualified accountant to 'make their mark' in the rapidly changing financial services sector. Our client is a dynamic and substantial international banking and finance group.

Business expansion and very ambitious plans for its operations in the British market have created this new position where the emphasis will be on management of a busy department of 8, the production of management information, financial and statutory reporting plus considerable development work involving micro and mainframe

There is a strong 'people' element to the role and personal qualities of drive, maturity, and initiative are very important. A genuine interest in computerised financial systems Career prospects within this growth orientated group should be very good.

Salary is for discussion as indicated supported by a comprehensive benefits package including mortgage subsidy, low cost pension and relocation where appropriate. A

fully financed car will be considered after a qualifying period subject to satisfactory Please forward your C.V. to Phil Bainbridge, ref. B.35040, Selection Consultant, MSL International (UK) Ltd. Pilgrim House, 2/6 William Street, Windsor, Berks, SL4 0BA, or phone him on Windsor (0753) 842044, or Weybridge (0932) 48606 in the

evenings or weekends. All applications will be treated in the strictest confidence.

Linternational

Executive Search and Selection

FINANCIAL CONTROLLER

International Trading Group

ABU DHABI

c. \$40,000 p.a. plus benefits

We are a well established trading group based in Abu Dhabi. Our operations are extremely diverse and include both goods and services.

The financial controller will work closely with the local management to ensure the successful operation of the business and will be expected to formalise the internal accounting structure and to review management information systems at an early stage. There is a significant central accounting and systems ceam in addition to the finnes staff within the divisions. Applicants for this position must be qualified accountants, preferably chartered, and aged between 3S and 45. They must possess excellent management skills, some of which will have been gained in an international environment, in addition to sound accounting and technical skills. Fluency in written and spoken Arabic is desirable but not mandatory. In addition to the salary which is tax free there will be a company car, free furnished accommodation, annual air cravel on leave and associated benefits.

Please send personal and career details to Box A0406,

Financial Times, 10 Cannon Street, London, EC49 4BY.

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Selection

クーパース・アンド・ライブランドには在英日系企業に対して会計監査、その他のコンサルティング・サービスを専門に行うチームがあります。そして、い まクーパースでは金融業界における日系企業顧客の皆様からのニーズの増大に対応するため、銀行、証券会社、その他の金融業のためのコンサルティン グ部門を拡大しております。

そこで、英語が堪能な日本人の方で、日本の大学の学位をお持ちの人材を募集しております。また、英国ないし米国の大学の学位その他の資格を取得され ていればさらに歓迎致します。

日系の銀行でプランニングまたはファイナンスの部門で現在御活躍なさっており、スタッフとして、またはプランニングないしシステムプロジェクトマネ イジメントとしての経験を含めて5年以上、上記の部門の業務に携わっている方を特に優遇致します。

業務の内容としましては、急速に拡大しつつあるチームの一員としてロンドンをベースにコンサルティングの仕事に従事して頂くと共に、クーパースのニュ ーヨーク及び東京事務所との連携業務をして頂きます。実 力登用制度ですので貴方の実力がいかんなく発揮でき、また十分報わ れることを保証致します。

クーパースのこのポストに応募ご希望の方は英文履歴書詞封の上、下記の宛先までご連絡下さい。Quoting ref. 07/2, Murray MacFarlane. Coopers and Lybrand, Plumtree Court, London EC4A 4HT.

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Fully Negotiable firmly establishing their unique role as a multi-disciplinery practice offering Accounting and Legal expertise. It's principal areas of activity include corporate finance; includency; start ups and one-off projects.

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For further details, piece Accountancy Personnel, 63/65 Moorgate, London EC2R 6BH,

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Combining the securities expertise of a leading stock exchange member and the traditional merchant banking shills, our client was one of the first post-deregulation "broker-banks". This ability to lead has ensured continued expansion creating

GROUP FINANCIAL ACCOUNTANT

Responsible for the production of group accounts, capital markets reporting, tracking reporting tracking to the appoint of the application of the self-motivator with banking experience

£25-30,000 + Banking Benefits

CAPITAL MARKETS ACCOUNTANT results. This is a highly challenging role offering exceptional prospects

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ACCOUNTANT "Single minded, but not blinkered" is our clients requirement. This is a rere opportunity for a young Systems Specialist, ideelly from a top computer consultancy, to perticipate in major ongoing systems appraisals."

Accountancy Personnel, 14 Great Castle Street London W1N 7AD. Telephone: 01-680 9186

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Unique opportunity offered by property subsidiary of major construction group for qualified/experienced cendidate with commitments (e.g. family, sports training)

precluting a full working week. Candidates should be outgoing and computer literate, but most in prepared to give total commitment to this challenging role.

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FINANCE AND ADMINISTRATION MANAGER

of a specialised commercial market and having doubled its turnover in three years superts to continue growing organically and by acquisition in related activities. i and administration functions, and to take an active role in the de-

The successful candidate, who will ideally be in higher early 30's, can anticipate a board appointment within,24 months.



Accountancy Person 63/65 Moorgate, London EC2R 63H.

Telephone: 01-638 3965

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cE22_000 + Car + Profit Share **NW London** Established over a decade ago, our client is recognised as a leader in the manufacture and supply of atuminium replacement windows to both the public and

An opening has arisen for a Qualified Accountant to undertake a dual role as a Financial Controller, and a Business Manager, actively participating in the company's continuing growth.

This is a demanding but highly rewarding role for a motivated individual ready for their first Directorship. Occasional travel to Europe is invisced.

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent PU examinations. We propose to publish the list in our issue of Thursday, March 5, which will also contain several pages of advertisements under the heading "Newly Qualified Accountancy Appointments." The advertising rate will be \$43.00 per single-column centimetre; special positions are available by arrangement at premium rates of £52.00 per sec.

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the Guide will be charged at £65.00 which will include company name, address and telephone number.

For further details, please telephone Louise Hunter on 01-248 4864 Jane Liversidge on 01-248 5205 Daniel Berry on 01-248 4782 Emms Cox on 01-236 3769

> FINANCIALTIMES **FUROPE'S BUSINESS NEWSPAPER**

Development Accountant

International Assignment, Bahrain

To \$25,000 Tax Free, Excellent Benefits

This industrial complex has been promoted at government level and is a superh example of modern design and construction. Already working at capacity, it is staffed and operated by professional management and support staff. The position will report to the Finance Manager and be responsible for implementing computerised systems and reviewing accounting policies, making significant contributions to the enhancement of the financial and management accounting areas. Candidates, aged to early/mid thirties, will be qualified accountants, probably with experience of finance in industry and with the personality and drive to achieve high standards in a multinational environment. Benefits include car, accommodation, annual air fares, either on a married or single basis.

I.L. Duff, Hoggett Bowers ptc, 1/2 Hanover Street, LONDON, WIR SWB, 01-724 6852. Ref. 18139/FT.

Finance Director

High Quality Engineered Equipment East Anglia, To £25,000, Bonus, Car

This is an opportunity to join the revitalised management team of a long-established £15m British engineering company which is now showing dramatic increases in turnover and profitability. Reporting to the Managing Director, the necesses in timover and protesting, reporting to the Managing Director, the requirement is for a qualified accountant who can take full responsibility for the financial management of the company, drive the computerisation programme through to completion and lead the accounting, financial systems and shipping teams. Experience should include an understanding of mechanical engineering industry and particular expertise in manufacturing costing methods. However the overriding consideration is the strength of personality and vision necessary to participate in strategic decisions and make a positive contribution to the achievement of ambitious growth plans. The company is an autonomous subsidiary of a major group whose management style relies heavily on high-quality financial information, so this is a high profile role. Comprehensive benefits include a non-contributory pension and relocation assistance.

S.P. Spindler, Hoggett Bowers plc, 36 High Street, Eton, WINDSOR, SLA 6BD, 0753 850851. Ref: 24080/FT.

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

Treasury Accountant

£17—£18,000 negotiable

MANAGEMENT

SELECTION

This privately owned international group who have superb offices in a central London location require a young professional to assist in the day-to-day running of their treasury department.

Reporting to the Corporate Finance Manager, your responsibilities will include: monitoring and controlling of both manual and computerised cash flow, liaison with group subsidiaries, banks and financial institutions. foreign exchange, the maintenance and control of the treasury system as well as production of monthly reports and special projects as directed by the Finance Manager.

Presently you will be working within the banking world or an accountancy firm and have gained relevant qualifications. You will have had P.C. experience or will be willing to become familiar with them. Your ability to work on your own initiative will be essential. You will be keen to make your next move into commerce with a progressive organisation who reward their staff with career develop-

ment and attractive salary packages.
If you feel that you can meet this challenge please write with a CV to Jennifer Baker, LINK Management Selection, 24 Buckingtum Satu, London SWIE GLB. Tel. 01-834 3777.

HEAD OF FINANCE

NW LONDON

£25,000-£30,000

The Jewish Welfore Board, the Jewish Blind Society and the JBG Housing Society are three substantial and long established charitable agencies, serving the needs of the elderly, mentally if and the visually and physically handicapped.

They have an excellent reputation in their fields for on effective, coring service to the community and people they serve, operating with a combined annual expenditure of about £12m.

An imminent retirement and a planned internal misation have created a need for a new Head of Finance to support the three charities. As part of the respective management teams, the key priorities are to implement a responsive and cost effective structure, which will incorporate procedures for providing management information as well as a new data processing department. Beyond this, the rate will manage about fifteen staff and will provide leadership and

direction in the financial planning and control of the charities, reporting to the respective Executive Directors, it is anticipated that in time the services of the new finance and d.p. functions will be extended on a bureau basis to other agencies operating in similar fields.

Candidates must be qualified accountants with evidence of a successful career in a commercial or service environment. They will have practical experience of computer systems and of managing people. They should have energy and enthusiasm as well as an empathy with the aims and objectives of the organisations. Age: 35 to 50.

To apply, please write enclosing personal, career and salary information to:

lan Tomisson, Executive Selection Division, Hacker Young Managem Consultants, St. Alphage House, 2 Eng. Street Hackeryoung

Assistant taxation **MANAGER**

London

c.£27k package

3i is an independent private sector group whose business is the creative use of money. We provide long term investment capital to businesses of all sizes through innovative schemes tailored to meet their individual needs. We usually become involved with our customers at critical points of change in the development of their business - perhaps at start up, major expansion or through management buyouts.

As a result of the development of our Taxation Department we now have a requirement for an additional tax specialist.

The successful candidate will assist in the tax planning of the Group's affairs and in providing advice to management. Applicants must be experienced in tax planning for large organisations including, ideally, groups operating within the financial sector. In addition the job involves some corporate tax compliance work.

If you are a qualified accountant or lawyer with at least five years' corporate taxation experience, able to demonstrate both a high level of technical expertise and good interpersonal skills, we would like to hear from you.

Our attractive financial sector package includes a company car, profit sharing, concessionary mortgage, free medical insurance and a non-contributory pension scheme. Please contact Paula Bates, Assistant Personnel Manager, on 01-928 7822 for an application form or send a full CV to her at: Investors in Industry plc, 91 Waterloo Road, London SE1 8XP.

The creative use of money.

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A century-and-a-half of growth and development has made Legal & General one of the great names in general insurance, life and pensions.

With over £10 billion in management funds plus a complex portfolio of domestic and international investments over and above the normal requirements of any major business, corporate taxation with us offers an unusually broad professional scope.

Especially for the tax professionals who take up these senior-level appointments, both of which have arisen in our City-Based Group Taxation Department.

City Neg. salary + car Taxation Manager

The principal responsibility covers direct and indirect tax compliance for our domestic, and some overseas, operations. A role which involves preparation of tax computations, submissions and negotiations with Revenue Authorities, plus the determination and implementation of tax accounting principles throughout Legal & General.

A challenging assignment which certainly calls for a qualified accountant with excellent negotiating skills and considerable experience of UK taxation, particularly in the insurance sector.

Tax Planning Manager

The emphasis here is on co-ordinating Group tax planning and undertaking both tax planning and research projects for the UK and overseas.

We would prefer applicants to be fully qualified, although rather more emphasis will be placed on actual experience of international tax planning and advisory work. This strongly suggests that the right person will be a young professional looking for a major opportunity within corporate taxation.

In both cases, the ability to clarify complex tax issues, and explain them in a way which allows effective management decisions to be made, is an absolute prerequisite.

Salaries are negotiable and will reflect the importance we place on these positions. In addition the financial sector benefits package will include company car, subsidised mortage, private medical insurance and profit sharing.

For further details, please send a detailed cw to PJ. O'Sullivan, Personnel Manager (Group), Legal & General Group plc, Temple Court, 11 Queen Victoria Street,

London EC4N 4TP.

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HenleyRecruitment

Company Accountant/Secretary

South Bucks to £20,000 + Car SENIOR MANAGEMENT POSITION

A privately-owned, medium-sized manufacturing Company is seeking a Company Accountant/Secretary due to the retirement of the current jobholder. This is the top financial position involving preparation of annual budgets, monthly management figures and the control of the overall corporate accounting operation plus the administration of the personnel, company secretarial and computer aspects of the

This key position calls for a person with an eye for detail who wishes to become involved in the day-to-day functioning of a highly customer-orientated Company, much of whose output is exported. The Company is looking for an accountant (preferably Cost and Management)

with a sound industrial background, including some company secretarial exposure. Experience of a computerised accounts department is essential The Company operates a profit-sharing scheme and gives five weeks' annual holiday. Relocation assistance available, if necessary.

Please send full curriculum vitae to:

Sarah Wood

3 The Chestnuts, Lower Shiplake, Near Henley-on-Thames, Oxon RG9 3JZ.
Telephone: Wargrave (073 522) 3118

FINANCE DIRECTOR

Southern Home Counties

To £25,000 + car + benefits

This is an exciting opportunity to become part of the management team of a £20m subsidiary of a major group which has extensive interests in the construction industry. The company is profitable and expanding, and needs a Finance Director who can contribute sound financial advice to the decision making process. Reporting to the Managing Director, the person appointed will have full responsibility for the Finance and Accounting

Candidates, ideally in their early 30s, must be qualified and will preferably have a background which includes experience in a capital intensive environment with associated high volume transactions. Familiarity with computerised systems and the ability to develop, implement and operate strong credit control procedures is essential.

Written applications, enclosing up-to-date C.V., should be submitted in strict confidence to Eric Sutton at our London address quoting reference no. 1041/7394.

ACCOUNTANCY & MANAGEMENT RECRUITMENT CONSULTANTS

LONDON - : IVERPOOL - MANCHESTER - ABERDEEN - IDNBURGH - GLASGOW - DUBLIN DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS TELEPHONE: 01-836 9501

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Pensions and Unit Trust fields.

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Financial Controller

Southend, Essex

Salary package negotiable

Our client is a specialist high technology printing group. They have achieved rapid yet highly profitable growth and are committed to an expansionist policy. The enthusiastic and hard working management team have identified the need to strengthen the group's financial expertise. Consequently a like minded Financial Controller is now sought to assist in achieving the desired

objective of continued profitable growth.

The successful candidate will be a qualified accountant. An assertive, positive and energetic approach is essential combined with interpersonal and communicative skills in order to make a substantial contribution to corporate growth and development. development.

The remuneration package is negotiable and will reflect experience and potential. If you feel you can meet the demands this challenging position will make, apply in confidence enclosing comprehensive

BERKE FINE (ref: 8020) Apsley House Waterloo Lane Cheimsford Essex CM1 1BD



circa £20,000 + car

Our client has an annual turnover of over £50m generated from the automotive industry product sales. The company employs over 1,700 people and is a subsidiary of a major American multi-national company.

As a result of promotion, an opportunity arises for an experienced management accountant to take over the plant controllership at the factory. With a staff of around 13 and ample computer facilities, this person will report to the plant manager and to the company finance director. The main function will be the generation and improvement of management accounting information with an emphasis on budgets and variance analysis. This person will work closely with the plant manager on the improvement of cost effective manufacturing

Preferred candidates will be qualified cost and management accountants aged between 30 and 40 with several years senior management accounting experience in the engineering industry combined with a thorough understanding of engineering manufacturing processes.

This is an expanding company carrying out a substantial capital investment programme providing excellent opportunities for future management

In the first instance, please send brief personal and career details to Douglas G Miron quoting reference F/757/M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7RU.

PLANT CONTROLLER

Avon

Ernst & Whinney

following career opportunity for a high-calibre Accountant at our Head Office in Andover Duties will include statutory accounts and returns, management accounts, budgets, plans

and forecasts. Development of the reporting systems to reflect the Company's growth will be required, as will the provision of financial and other information as well as ad hoc analysis work to the Board and other line managers.

ACCOUNTANT-LIFE Rural Hampshire

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TSB Trust Company is a major The role will also involve representing the department on projects relating to the development of new products Operating mainly on behalf of and systems. Life insurance TSB's 7 million bank customers, experience would be an advanthe funds under management tage, although not essential. In return we offer excellent The Company is currently enjoycareer prospects and a package which includes generous mortgage subsidy, non-contriing substantial growth and has exciting plans for development. This expansion has created the butory pension, profit share scheme, Christmas bonus and relocation assistance where appropriate.

> To apply, please telephone or write for an application form to: Bill Brewer, Personnel Resourcing Manager Personnel Department, TSB Trust Company Limited. Charlton Place, Andover, Hants SPIO IRE. Tel: Andover (0264) 56789 ext 2161.

FINANCIAL DIRECTOR

SOUTHEND AIRPORT, ESSEX

Up to £30,000 plus car plus travel benefits

We are a dynamic, fast growing and profitable charter and commuter airline based at Southend Airport. Turnover in the last 4 years has grown from 25m to £26m and is expected to be in the region of £35m for the current financial year. As part of a small but highly professional manage: ent team, the Financial Director will be required to appraise operational activity, direct strategy and implement new and cost effective evstams.

The successful candidate will be a qualified Chartered Accountant aged between 28-35 years with at least 5 years' post qualification experience in industry/commerce. An assertive, positive and energetic approach is essential in order to make a substantial contribution to corporate growth and development.

An attractive remunerative package is offered with opportunities for travel through the Group's interline facilities.

Interested applicants should write to the Managing Director, Box A0385, Financial Times 10 Cannon Street, London EC4P 4BY

Chief Accountant

... with a growing market leader **East Midlands** c.£20,000 + Car

Our client is a market leader in the food inclustry, with a turnover of around £100m. Profitability is sound and the company is poised for continued growth.

Reporting to the Finance Director you will be responsible for financial accounting, control of multi-site operations and systems development. You will also contribute to the formulation of future business plans and policy. This is a challenging role in a secure and dynamic environment. The successful candidate will be a challenging role in a secure and dynamic environment. The successful candidate will be a challenging role in a secure and dynamic environment. The successful candidate will be a challenging role in a secure and preferably an energetic graduate. You will have a proven record of achievements managing and motivating staff in a large company environment. The ability to use modern accounting techniques and sophisticated computerised systems is essential.

The attractive satary is supplemented by car, private medical insurance, pension and generous relocation expenses if necessary, to a very attractive rural area. Career development opportunities are excellent.

Please write with full career details, these will be forwarded direct to our client. Please list on a separate sheet any companies to whom your details should not be sent. John Lilley, ref. 200/36/1. MSL International, 12th Floor, Centre City Tower, 7 Hit Street, Birmingham BS 4UA. Offices in Europe, the Americas, Australasia and Asia Pacific,

International **Executive Search and Selection**

FINANCE DIRECTOR

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This is an exciting opportunity with a small, successful and expanding private group engaged in house building and project management with prestigious clients.

Working closely with the Managing Director, the Finance Director will support the group's development programme leading to a USM listing. Immediate priorities include enhancing the management information and reporting systems, cash management and project

Up to £20,000, car

Candidates should be graduate, qualified accountants with good all round. accounting experience gained in the private sector. Initiative, good communication skills and a practical

approach are essential. Age 27-35 years. The remuneration will include a car and benefits, including assistance with relocation where necessary.

Please write in confidence quoting reference FD/3 to Peter Evans, Executive Selection Division.



Peat, Marwick, Mitchell & Co., Century House, 7 Tib Lane, Manchester M2 6DS

Group Accountant

Diversified Service Group

c£24,000

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N.E. London

The principal activity of this diversified international group is providing cable engineering services with associated civil engineering work: other companies are engaged in building construction, steel fabrication and leisure services. Founded over thirty years ago it employs some 2,500 people.

This is a new appointment designed to strengthen the existing team at group head office and responsibilities will cover the whole range of financial, management and sales accounting systems for the group as well as the main subsidiary described above. A new computer has recently been introduced with links to branch offices and subsidiary companies. Some forty people are employed in the finance department.

This appointment offers an excellent opportunity for a suitably qualified accountant with experience in industry or commerce to make a significant contribution to the improvement and implementation of modern financial control systems in an expanding and profitable group.

Please write - in confidence - stating how the requirements are met, to David Bennell, ref. B.43859.

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International

Executive Search and Selection

DIRECTOR OF **BUDGET AND FINANCE**

Qualified Accountant Up To US \$60,000 Tax Free Plus Substantial Benefits Nigeria

The International Institute of Tropical Agriculture (ITA) invites applications from qualified candidates for the senior position of Director of Budget and Finance.

IITA is an international agricultural research institute in a world-wide consortium of 13 centres organised by the World Bank, FAO and the United Nations Development Program.

With headquarters in Ibadan, Nigeria, the Institute has outreach programs in many countries of Sub-Saharan Africa. IITA scientists from 45 nations work in partnership with national agricultural agencies to raise the productivity and income of family farmers and thereby to increase food production in less developed countries.

The Director of Budget and Finance has direct responsibility for the entire financial and accounting aspects of the institute. He will also play a major role in the integration of financial information through EDP systems.

The person appointed will have a professional accounting qualification with practical experience of accounting and auditing at a senior level, preferably obtained with a major accounting and auditing firm. Treasury and Data Progressing experience are also essential. Preference will be given to applicants who are in their mid-30's. Experience in working in developing countries is desirable although not essential. Candidates must have an excellent command of English and knowledge of French is advantageous.

Salary is competitive, and the very attractive tax-free remuneration package includes personal car, children's home educational allowances, highly subsidised housing and other benefits. The institute's headquarters research facilities, residential areas and extensive recreational facilities are situated on an attractive 1000 hectare campus outside Ibadan.

Replies, in the form of a detailed curriculum vitae, which will be treated in the strictest confidence, should be sent in the first instance to: Geoff Walker, Managing Director, Jarvis Reed Advertising Ltd. 3rd Floor, 4 Mosley Street, Newcastle upon Tyne NEI 1DE, Tel: (091) 232, 8947, who is advising on this appointment.

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Director of Finance & Administration

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Based in Milton Keynes, Scania, the commercial vehicle division of the Saab-Scania Group, is one of the world's most successful commercial vehicle manufacturers. Scania Vehicles are marketed in more than 80 countries worldwide and have established an

enviable reputation as a premium product. Scania (Great Britain) Ltd is a Saab-Scania subsidiary and has the responsibility for marketing the Scania products and services throughout the U.K.

As with any major organisation, strategic Financial Management is fundamental to success, and due to senior board level promotion, our client is currently seeking to appoint a Director of Finance and Administration whose input will have a direct influence on the future of the company.

The role will take you beyond the traditional parameters of Financial Management — involving you closely with developing and implementing corporate procedures within their Personnel, Administration, Data Processing and General Business

Aged 35-45, you will have extensive experience of managing a similar sized financial function. This should have included the development of computer systems for budgetary management, and the strategic planning and implementation of long-term

On a more personal level, you will need excellent communicative and man management skills coupled with the professional statute necessary to build credibility at

The rewards will fully reflect how importantly my client views this position, and you can expect a competitive salary, company car and a full range of executive benefits.

Bond Street, London W1Y 9PE.

For more details, write with full career details and quoting reference PK 1239 to KHM Associates, 1 New

1 New Bond Street



FINANCE DIRECTOR - DESIGNATE

South Herts.

Our clients are world leaders in the provision of a wide range of specialised services in the field of health care and have an excellent reputation worldwide.

Having identified new fields offering scope for substantial development, their size is set to increase significantly in the short and medium term. In the near future they will be seeking a placing on

A Finance Director — Designate is required who will assume responsibility for all finance and accounting matters and, working closely with senior directors, have

c.£30,000 + car

responsibility for the negotiation of contracts and the raising of finance for projects worldwide.

Candidates must be qualified accountants, preferably chartered, with excellent technical skills and previous exposure to the City. This is a demanding role and a strong personality, maturity and selfconfidence will be essential to deal successfully with a vast range of contacts in the UK and overseas.

Please reply in confidence, enclosing full career details and quoting reference 6181/L, to Anne Routledge, Executive Selection



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

Financial Controller

to £25,000 + car

Our client is a rapidly expanding group of private companies providing market information services to the healthcare industry. With headquarters in Loughborough and subsidiaries in Southern England and North America it is about to enlarge its successful business considerably in international markets. A public listing is envisaged in the medium term.

A member of the top management team, at a particularly exciting time in the company's development, the Financial Controller, will work with Managing Directors of subsidiary companies and the Group Chief Executive and will be responsible for developing and implementing Management Information Systems, asst and budgetary control and statutory reporting.

This is an exciting apportunity for an ambitious Chartered Accountant, aged 28-35 with 4 to 5 years commercial experience in a company with good financial controls, ideally in the services sector.

In addition to solary other benefits include a good pension scheme and kelp with costs of

In addition to solary other benefits include a good pension scheme and help with casts of

moval if appropriate." Candidates please write, in confidence, giving details of age, experience, qualifications and resent earnings, quoting Ret 968/FT. No information will be divulged to our client without your

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MANAGEMENT SELECTION CONSULTANTS NOTTINGHAM · LONDON

COLGATE-PALMOLIVE LIMITED International Accountant

This prestigious organisation is well aware of the utmost importance of having modern sophisticated financial and management accounting information and systems. The company therefore has, over a period of years, developed a progressive career path for a limited number of exceptional young accountants who are looking for a real future.

An initial period of approximately 18 months will give the successful applicant a broad exposure to accounting operations, line and staff, and specific project work will cover financial, brand and cost accountancy. As this work could be at the UK manufacturing base in the North West or London headquarters, some flexibility in terms of mobility and location is required. Indeed these positions will ultimately lead to more senior roles which could be based either in the UK or overseas. Candidates, probably aged in their middle 20's, must be qualified accountants currently working either in the profession or in industry. Demonstrably high interpersonal skills, coupled with enthusiasm and the desire to be a member of a winning team, are also essential requirements.

Interested applicants (male or female) should send a detailed CV or request an application form from the Consultants who are handling this assignment, quoting reference 1170/FT. Telephone: 0625 533364 (24 hours).

Executive Selection/Management Development Springfield House, Water Lane, Wilmslow, Cheshire SK9 5QS. Telephone: (0625) 532446.

Assistant Controller

Our client, a diversified computer leasing and maintenance services group is currently merging with a major US conglomerate. The merger will enable the company to maintain its 40% growth record and accelerate planned expansion in

the US and European markets.

The need to maintain the highest standard of management information has created. this new broad and challenging role.

Reporting to the European Controller, the successful candidate will be responsible for setting up, implementing and interpreting management accounting and information systems for the company's UK divisional operations. This will involve preparing budgets, forecasts, undertaking performance analysis and direct liaison with senior operational management. Additional areas of interest will include international treasury and ad hoc projects. Suitable candidates will be either recently qualified accountants with the ability to develop within a fast-moving environment. or qualified accountants with relevant experience.

For further information, please apply directly to Suzzane Wood on $0753\,857181$ or evenings on $01-876\,5405$.

Robert Half Personnel, Mountbatten House, Victoria Street, Windsor, Berks SL4 1HE.

ROBERT HALF

Divisional Accountant

Balfour Beatty Construction International Limited, an Balfour Beatty Construction International Limited, an operating company within the BICC group of companies, is a successful British company engaged in major civil engineering and building construction on an international scale. We are now looking for a Divisional Accountant to take on the substantial responsibility of ensuring that the Company is provided with an effective accountancy service, both in the UK and overseas. Supervising our Central Accounts Department and reporting directly to the Company Accountant, you will be responsible for executing accountancy, budgetary and administrative procedures to Company requirements, as well as monitoring contracts and units to ensure the satisfactory operation of accountancy procedures and

satisfactory operation of accountancy procedures and

systems. In addition, your wide-ranging responsibilities will include the provision of accountancy services on UK expenditure to overseas contracts and units, along with the preparation of Company operating accounts, financial accounts, ancillary financial information, and of course financial information for budgets and strategic plans. And you will also be required to monitor Company facilities, recording and progressing capital expenditure against authorisation within the Company, and assisting in the management of the Company's foreign exchange matters.

As you'll appreciate, this is a significant position within BBCIL, and offers regular overseas travel to our main

A salary commensurate with the high level of this appointment is being offered - along with the normal large company fringe benefits package, which includes

Please either send your CV to the following address or telephone for an application form: Mr J H Moses, Personnel Manager, Balfour Beatty Construction International Limited, Randolph House, Wellesley Road, Croydon CR9 3QD. Telephone — 01-686 0555 ext. 236.

B Balfour Beatty

Divisional **Financial** Controller

Up to £25,000 p.a. plus car. London

Our client is based close to the City and is an expanding and profitable group with property and construction interests in the London area. A Divisional Financial Controller is sought to report to the Chief Executive and to be responsible for a team producing standard accounts and financial information.

The post calls for a qualified accountant with experience of introducing and operating com-puterised accounts systems in a multi-company group. A knowledge of management and statutory accounts, budgets, payroll and credit control is also

This is an excellent opportunity to work in a practical and challenging environment and to contribute to a vigorous and fast-growing organisation.

Applicants up to their mid-forties are asked to write, with a CV and daytime telephone number, quoting

BinderHamlyn MANAGEMENT CONSULTANTS

Trevor Austin, Executive Selection Division Emiss Mandyn Manny amon Commission 8 St Bride Street, London EC4A 4DA

Finance Controller Company Secretary

(Director Designate)

£20,000-£25,000 + benefits + car

Medium-sized Group involved in the Packaging Industry importing products worldwide, require a qualified Accountant who is well versed in all

technical aspects, whilst managing the secretarial, administration and personnel functions in a busy environment. A knowledge of taxation would be helpful.

As well as responsibility for your Department, you will ensure effective control over Group finances and the further development of our computerised systems.

Personal qualities must include commercial awareness; a strong character able to get the best from staff and the ability to work within a small, flexible management team. Preferred age 35-45.

Please send your detailed C.V. with salary details, in strict confidence to:

> Mr N. E. Quiney Ridley Quiney & Co Ltd 32-38 Saffron Hill London ECIN 8FH

EUROPEAN FINANCIAL CONTROLLER

Bracknell

management on all aspects of Our client is the world's leading financial planning and management.

direct mail marketer of computer supplies, accessories, furniture and data communications products, with operations in the USA, UK, France, West Germany, Sweden and the Netherlands. European sales are making a substantial contribution to world wide revenues and strategic direction is giving further momentum to this trend. Promotion of the present European Financial Controller into a

line role necessitates his early replacement. This well established function reports to the Corporate Controller in California and provides key support to European general

The appointee will probably be a chartered accountant with fluency in

c.£35,000 + bonus + car

at least two European languages. Essential requirements include at least five years European management experience, a high level of computer literacy, previous acquaintance with US business practices, a strong commercial orientation, a capacity for considerable travel and consequently protracted working hours.

Please write, in confidence, quoting reference 3301/L to Mike Blanckenhagen, Executive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfrians, London EC4V 3PD.

Unlimited opportunity GROUP FINANCIAL SÉRVICES MANAGER

£27,500 + car + profit share + financial sector benefits

Abbey National, already a market leader in its field, is building on its enviable reputation for innovation and efficiency to make full use of the opportunities provided by recent legislation.

Through the effective use and development of our resources of 8,000 staff and £23bn assets, we are extending our financial services into a range of

exciting new markets.
We are offering an ambitious, professional accountant the challenge of managing our group financial services within this rapidly changing environment. Reporting to this Group Financial Controller and leading a team of 16, you will be responsible for all aspects of linancial accounting: financial modelling and forecasting; and taxatio including Income, Corporation and Value Added

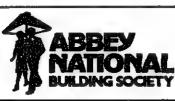
The ideal applicant will be a graduate ACA

with an extensive knowledge of the financial services industry. Creativity and leadership skills must be coupled with a well balanced personality.

The career prospects are excellent, with opportunities to diversify into areas such as Treasury, Banking or into one of our new businesses. The salary is accompanied by a car and the range of benefits to be expected of a large financial institution, including relocation assista.

Please write for an application package to Bill Whitehead, Personnel Officer, Abbey National Building Society, Abbey House, Baker Street, London NW1 6XL

The dosing date for applications which are invited from all sections of the community is 20 February 1987.



SENIOR INTERNAL AUDITOR

SOLIHULL

c.£27k package

3i is the world's largest source of private venture capital and we provide equity and loan finance to companies worldwide.

Our Senior Internal Auditor is transferring to our Treasury Department. We now have a vacancy for a qualified chartered accommant with four years' post-qualifying experience which should include computer auditing within a large professional firm. We are seeking someone with management experience to head up a small professional audit team within our new Solihull offices.

The successful candidate will manage and develop our financial and operational audits, including the development of computer audit programmes. The work will also involve auditing our overseas subsidiaries.

Our attractive financial sector package includes a company car, concessionary mortgage scheme, profit sharing, free medical

insurance and a non-contributory pension scheme.

Piease contact Jo Dean on 01-928 7822 or 021-704 5181 for an application form. Investors in Industry plc, 31 Homer Road, Solihull, West Midlands B91 3QA.

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South East France

Are you looking to expand your career and to give it a European dimension?

If so, this opportunity to join the European Finance Headquarters of a major U.S. multinational should be

highly attractive to you.

The H.Q. is situated in South East
France close to the Swiss border. It is within easy reach of Lyon, Geneva, Basle, and the Mediterranean coast,

with direct motorway access to Paris.
As a member of a small high calibre As a member of a small night callore and international team, the person appointed will take responsibility for the strategic review of the group. The role is wide-ranging and embraces the ongoing analysis of plan and performance within the sector for each writ Ha/Sha will be apporting direct to unit. He/She will be reporting direct to the Group Controller. Applicants, aged around 30, should be qualified

As you would expect from a leading international company, the salary and benefits as well as the location are

highly attractive, with genuine prospects for career development. Austin Knight have been retained Aushin Knight have been retained to advise on this appointment. Please telephone Terry Kennedy on (0784) 39103 (day), or (0784) 33396 (evenings/weekends). Alternatively send him your c.v. at Austin Knight Selection, Knightway House, Band Lane, Egham, Surrey TW20 9NX, quoting ref: YS 155.

Austin

Financial Accountant

JOIN A COMPANY WHERE YOUR LOYALTY WILL BE WELL REWARDED

Central London

Our client is a major retailing organisation whose branches have been a familiar sight in nearly 100 high streets for many years. In keeping with their management style they are already planning for the retirement of the existing job holder. They are seeking a qualified Certified/ Chartered Accountant, aged 30-38 to be groomed for this challenging

Based at the company's Head Office complex in the West End the financial division is computerised using IBM. The major responsibilities of this position centre on financial accounting and management accounts reporting with special emphasis on measuring performance against set plans, Equally important will be the day to day management of the accounting staff. Some project work will also be involved.

01-405 9126. All interviews will be held with the client company

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discount and job security.

51-53 GRAY'S INN ROAD LONDON WC1X 8PP

Applicants should be able to demonstrate a record of

commercial experience particularly within a highly systemised

and structured environment and preferably within a multi-site

In addition to this excellent salary other benefits

include pension/life assurance scheme, annual bonus, staff

If you have had a stable work history, are in good health and believe you have the experience detailed above, in the first instance, in confidence, phone Victoria

business. You should also possess the necessary

man-management and communication skills.

c£28K

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For further information call:

Jane Liversidge 01-248 5205

Daniel Berry 01-248 4782

Emma Cox 01-236 3769

SECURITIES SECTOR

Our client is a consortium of stockbrokers now seeking to strengthen its financial management team with two appointments, both reporting directly to the Finance Director.

FINANCE CONTROLLER

up to £30.000

The Finance Controller must be a qualified Chartered Accountant with a strong technical background and broad knowledge to include tax, treasury, computer systems and Stock Exchange regulations. Some post qualification.

experience in the financial services sector is necessary and personal qualities such as tact, enthusiasm and good communication skills are particularly important. Reference 3654/1.

COMPLIANCE OFFICER

up to £25,000

A Compliance Officer with knowledge of security dealing and Stock Exchange rules is required. A main function of the job will be to improve efficiency through. further development of internal controls

and internal audit. This position is a good "supping stone" for a young Chartered Accountant or Solicitor. Reference 3654/2.

These positions are challenging opportunities for experience in a start-up situation with good growth prospects. Both packages include attractive benefits.

Please write in confidence, enclosing full career details and quoting the appropriate reference number, to Catherine Rowan, Executive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfrians, London EC4V 3PD.

FINANCIAL CONTROLLER

London

Our client is an established and successful company manufacturing a range of fast-moving products in a growing, highly competitive market. It has recently opened a new, purpose built factory in Wales to complement its London plant and to cope with increased production resulting from a joint venture with a large US corporation.

À Financial Controller is required who will assume responsibility for all. financial accounting activities of the two locations and also become involved in a broad range of other activities including treasury, taxation, ECGD and liaison with bankers, auditors and

c.£25,000 + car

regional development authorities.

There are close financial links with the US partner and some knowledge of US reporting standards would be helpful. The appointment reports to the Group Financial Director. Candidates should be qualified

accountants, with a minimum of 2 years post qualification experience, ideally gained in a manufacturing plant. A strong but flexible personal style is needed to successfully manage and motivate staff in a changing environment.

Please write in confidence, quoting reference 6629/L, to Valerie Fairbank, Excutive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

FINANCE MANAGER

Based in Jeddah, the Finance Manager will report directly to senior management on all aspects of financial performance, controls, budgeting and future plans. The successful candidate will be a qualified Chartered Accountant who will possess a sound commercial background allied with a minimum of 3 years' experience preferably gained from food related or function.

Familiarity with computerised systems and their development is essential. Applicants will be experienced in the provision of detailed monthly management information and a working knowledge of foreign exchange dealing and import and export documentation is also expected. This is an excellent opportunity for an ambitious accountant with good impressoral skills to work as a member of a small management team in a company which

is both well established and expanding. The financial package on offer is attractive and includes extensive benefits including a company car, free accommodation, a performance related bonus scheme and paid leave with free air travel.

Please contact R. T. W. Stocker on 041-221 4166 for further details or write to him at the address below.

Accounting Staff Appointments 134 St Vincent Street Glasgow G25JU.

International

Recruitment



Telephone: 041-221 4166 (24 hour service)

Glasgow Aberdeen Edinburgh

EUROPEAN BASE

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No less than SEVEN YOUNG ACAS with first-class professional backgrounds are required for our US MULTINATIONAL clients for high profile internal consultancy projects EUROPE wide. Please apply if you wish to travel and have a second European language facility e.g. FRENCH, GERMAN, ITALIAN, DUTCH, SPANISH, etc. A full client specification is available to yea through our LONDON offices.

UNITED STATES TRAVEL

ACAs CAs 22-28

... neg to £30,000 package

Our LONDON based client has major subsidiaries in the USA and AUSTRALIA which are regularly visited throughout the year. Graduate accountants with positive personalities are required for positions with high visibility to senior financial management.

EUROPEAN BANKING

ACAs/AIBs

neg to £21-£25.000

Five vacancles for LONDON small based BANK AUDITORS to work in high powered teams with a 25% EUROPEAN travel

contact GEORGE D MAXWELL or TIM WINGHAM, ACCOUNTANCY APPOINTMENTS EUROPE. 1-3 Mortimer Street, London W1.

Telephone 81-580 7739/7695 (direct) or \$1-637 5277 ext. 201/202.



RETAIL-**FINANCIAL**

ACCTS. PLUS A division of a major retailing group seeks a young qualified accountant for a senior financial accounting role. Supervising a small professional team, responsibilities will not only include the control and preparation of financial accounts but also assisting the Finance Director in the analysis of business problems and other ad hoc projects. Candidates should be qualified ACA/ACCA, under 30, with a keen interest in retailing and excellent communications skills. Career prospects within the group are outstanding. Ref. LMS. £20,000 pkg+Car C. LONDON

DEVELOPMENT ROLE

Now part of a diverse privately owned group our client, an established retail company is gearing up for a major growth phase. An opportunity has arisen for an experienced qualified accountant to contribute to the company's development as No. 2 to the Finance Director. Managing a staff of 12 generating day to day financial reports the position will primarily be involved in management accounting, providing information impacting directly on the business. Suitable candidates aged 28-40 must offer a thorough knowledge of computerised systems. Ref: PAB. £18,000+Car C. LONDON

ROMAN HOUSE, WOOD STREET, LONDON EC28 2JQ, 01-638 5191,

ROBERT HALF

Head of Finance & Administration

London

Neg to £25,000

For a large and distinguished national youth charity. Responsibility is for managing the accounting and administration functions. You will also act as Secretary to the Council and its supporting committees. You must be extensively experienced in these areas and have a relevant professional qualification or its equivalent.

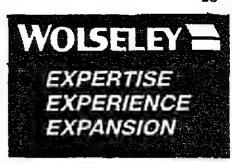
Please write to:

John Robins, Ref. JR 622, Coopers & Lybrand Executive Selection Limited, Shelley House, 3 Noble Street. London EC2V 7DQ

SECTION II – COMPANIES AND MARKETS

FINANCIALTIMES

Thursday February 5 1987



Thyssen turnover suffers from decline in dollar

PROFITS/

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ferences that "they say little about the state of the business." All the di-

visions except steel would make

He confirmed that Thyssen Stahl,

profits this year, be said.

from nearly DM 700m.

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BY PETER BRUCE IN DÜSSELDORF

TURNOVER at Thyssen, West Germany's biggest steel and engineer-ing concern, fell 22.1 per cent in the first quarter of its 1986-87 year, following a 30 per cent fall in group pre-tax profits last year.

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Accountage.

Mr Dieter Spethmann, Thyssen's chairman, blamed the three-month drop in turnover on the strength of the D-Mark against the dollar and the fall in full-year profits, to DM 760m (\$422m), on costly rationalisation in its steel division.

He also launched a stinging attack on US efforts to stem the flow of machine tool imports, saying that German successes in the US mar-ket had nothing to do with unfair trading practices but rather with advantages in the performance of our products."

Thyssen's machine tool subsidiaries are part of its capital goods division, where pre-tax profits rose al-most DM 100m to DM 276.2m, easily the best performance in the group last year.

Overall last year, Thyssen booked DM 390m profit after tax, a fall of nearly 37 per cent. External Western Europe's biggest private sector steelmaker, was already in turnover fell from DM 34.7bn the red and would remain so for the year. Pre-tax profits at Thyssen Stahl last year fell to DM 288.1m

Despite the drop in profits and, more recently, the fall in turnover, Mr Spethmann pronounced himself confident and satisfied. The first quarter sales figures, he said, were

THYSSEN STEEL

Steel prices fell sharply last year in Europe and he spoke of "chaos in steel markets in the second half of last year. The company was considering withdrawing from the heavy plate, sections and wire rod markets, where price competition is

enough to balance out negative re

Profits at steel were also put under pressure by a decision to repay DM 127m last year in restructuring aid given to it by the state. The move puts political pressure on domestic competitors - most of which owe the Federal and Länder (state) governments much more than Thyssen - to do likewise.

Mr Spethmann, putting down a marker as the European steel industry enters another turbulent period and as a new argument forms about where capacity should be cut, said he believed West German steelmaking potential should not fall below 35m tonnes.

Although the steel division last er increased its share of total turnover by one point to 27 per cent, Mr Spethmann insisted that the company's shares were not "steel shares." He complained that the markets had ignored this since the middle of December - Thyssen stock has fallen some 26 per cent in the past seven weeks.

Although the fall of the dollar had

Sears back in the black

By William Half in New York

SEARS ROEBUCK, the big re-tailing group and financial ser-vices conglomerate whose earn-ings have stagnated for the past three years, yesterday reported a 2.5 per cent rise in 1986 net income to \$1.35bm, or \$3.62 a share. The group earned \$543m or \$1.45 a share in its final quarter, compared with \$552.3m or \$1.50 in the same period of 1985. Fourth-quarter revenues rose 7.4 per cent to \$12.97hn and full-year

The 100-year-old group has been finding it difficult to push its earnings higher in the fast-changing retailing and financial services industry and earned less in 1986 than the \$1.45hn or \$4.01. a share it carned in 1984.

revenues rose 8.7 per cent to

Mr Edward Brennan, chief excutive, says that the elimination of investment tax credits, costs associated with discontinuing domestic operations of Sears World Trade, and increased provision for uncoffectable accounts bad a 20-cents-a-share negative impact on fourth-quarter in-

for Lito (Last in, First out) debt repayment affected fourth-quar-ter results by 10 cents a share. However, Sears' 1986 results benefitted from \$109.7m of reduced pension expense. Sears Boebuck shares shed \$% in early trading yesterday and were quot-ed at \$46%.

Enraings from the group's core retailing operations, Sears Mer-chandising Group, slipped \$29.7m to \$736m in 1986, although revenues rose 2 per cent to \$27.1hn. The Alistaic Insurance group performed strongly, boosting its reported income by 24 per cent to \$758.4m.

Dean Witter Financial Ser-

vices reported a \$37m loss for the year compared with net income of \$13.1m in 1985. The securities related businesses, which broke even in 1985, reported operating income of 579.5m last year. However, a met after-tax loss of

cently-introduced Discover card. condwell Banker Real Estate emtributed \$93.8m in 1986 compared with \$86.1m in 1925 although both sale of figures were boosted by sales of shopping centres. Sears World Trade reported a \$39.8m loss in 1986 compared with a loss of \$10.5m in 1985.

Mr Brennan, who took over as chief executive at the beginning oniet executive at the beginning of last year, said he expected the US gross national product to rise slightly faster in 1967 than last year. Sears is looking for a 5.5 year. Sears is looking for a 5.5 per cent rise in revenues of the general merchandise unit in 1987, and says that the housing market should continue to be quite strong which will help Coldwell Banker.

Mr Brennan believes Alistate's financial results should continue to benefit from the upturn in the insurance industry and that the losses associated with the introduction of the Discover card should be lower in 1987 and the card should cross the break-even

GAN plans to restructure for sell-off

By George Graham in Paris

GAN, third biggest French state owned insurance group, plans a company restructuring to prepare

Mr Francois Heilbronner, GAN's president since July last year, said the aim of the restructuring was to create a genuine holding company with its own financial resources and to separate the life assurance business from the fire and accident

GAN's current structure has a central company without its own capital or powers, which Mr Heilbronner wants to convert into a holding company. In addition, the life assurance company, GAN Vie, holds 75 per cent of the accident and fire business, GAN IA.

GAN IA will also be re-organised to separate corporate insurance posiness from the personal sector. A similar problem over the corporate structure contributed to the delay in privatising AGF, originally planned to come to the market in

the first half of 1987. Mr Heilbronner said that GAN's

New Zealand group spreads wings with Canadian purchase Fletcher deal looks good on paper

FLETCHER CHALLENGE, New Zealand's biggest industrial company, has become one of the world's argest producers of newsprint and paper pulp with the acquisition of a 7 per cent stake in British Columbia Forest Products.

The deal, worth CS507m (US\$372m), increases Fletcher's already extensive newprint producion capacity in New Zealand, Canada and South America.

It already owns Crown Forest of Canada. When this was bought in 1982, Fletcher hinted that the Canadian company would become a springboard for further expansion. BC Forest and Crown had combined sales of C\$1.13bm in the first half of 1986, close to the CS1.3bn posted by each of the two giants of the industry, Abitibi-Price and Mac-millan Bloedel.

For BC Forest, Fletcher Challenge's investment ends eight months of nagging uncertainty about its ownership, and brings new opportunities. "It's the best thing that could happen," said Mr Richard Saucier, Forest Products analyst at Levesque Beaubien of

BC Forest has prided itself on having the highest ratio of operatnies. Thanks to strong newsprint and pulp markets, net earnings almost doubled in the first nine months of last year to C\$34.3m.

to help finance investments.

around DM 1.4bn.

The investment by Sir Ronald Trotter (right) ends months of uncertainty at British Cclombia Forest Products, write Dai Hayward in Wellington and Bernard Simon in

BCF's main sources of revenue are newsprint (45 per cent), lumber (27 per cent) and pulp (16 per cent). Its operations are centred in the rugged coastal part of British Columbia, but the company also has interests in Alberta, Quebec, and the US state of Minnesota. Despite its strengths and the bu-

oyancy of several key markets, BCFs debt burden of almost CS500m and uncertainty about its ownership have cast a shadow over its prospects. Its shares have been among the laggards in the booming forest products sector on the Toronto stock exchange. As part of the purchase price,

ing returns to sales among the lead-ing British Columbia forest compa-new capital into BCF, cutting its debt-to-equity ratio from 55:45 to about 40:50. The more healthy balance sheet should give BCF greater

some time to expand the mill at Blondin Paper, its US coated-pa-pers subsidiary, from its present capacity of 280,000 tonnes.

The question mark over BCF's ownership was raised last spring when two US shareholders sold their combined 41 per cent interest to Gordon Capital and Merrill Lynch Canada, two of Canada's most aggressive securities firms. Even before BCF's management

was mystified by the buyers' mo-tives, a senior Merrill man said at the time that the new shareholders planned to hold on to their invest-As things have turned out, Gor-

don and Merrill have preferred to ance sheet should give BCF greater months ago are now being sold to flexibility to invest in new capacity. In the control of t

Trotter, is likely to be more warmly The company is widely respected for its efforts to re-invigorate Crown Forest, which it bought from the US group Crown Zellerbach. Crown has turned from three consecutive years of losses between 1982 and 1984 to net earnings of CS19.5m in the first nine months of last year.

For some time Fletcher has been pursuing a global strategy to develop its newsprint production and narketing, of which the move into

Last November it launched a NZ51.5bn (USS817m) takeover bid for NZ Forest Products (NZFP), the largest forest domestic company. This is being resisted by the NZFP board, amid some acrimonious public exchanges between Mr Lyn Paps, NZFP chairman, and his counterpart Sir Ronald. The Bid is still not resolved.

In the same month, it gained a 50 per cent stake in Compania Manu-facturera de Papelasy Cartones, a Chilean forestry company which is a large-scale manufacturer of pulp and paper and offers substantial reserves of timber.

For its latest financial year to last take a handsome profit. The shares June, Fletcher achieved net profits they bought for CS250m eight of NZ\$240.7m, up 33 per cent despite a slight dip in turnover to NZS4.23bm.

cut the cost of importing the raw materials used to make steel, Mr Kaufhof to raise DM 210m with rights issue so heavily affected by currency dif- Spethmann warned that it was not Fermenta wins bank backing KAUFHOF, the West German several recently announced by Ger-

for financial rescue proposal

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM ish chemicals and antibiotics group, yesterday won the agreement of its four main Swedish banks to support the first stage of a financial rescue plan to stave off a looming

liquidity crists. The banks - Svenska Handelsbanken, Götabanken, PKbanken and Nordbanken - have agreed to grant new loans to the group totalling SKr 110m (\$17m).

At the same time, the four banks, which together account for more in addition to the new loans from than half of Fermenta's total bank the four Swedish banks, Fermenta debt, have agreed to maintain their current loans totalling around SKr 1.5hm and suspend claims or repayments that have already fallen due.

They have also granted a moratorium on future repayments which will fall due over a period up to 12 months. Fermenta will meet all due

Fermenta said last night that the deal with the Swedish banks is based on the assumption that the group's foreign banks, which num-

Tenneco dips

to \$31m at

vear-end

By Our Financial Staff

Finland and Den Norske Credit were sufficient to solve forest Bank of Norway as well as more financing needs". than 30 small banks in Italy, will also support the rescue...

In a statement, the group said: suspension of repayments on loans that have already fallen due and which will fall due."

is also planning to raise new equity capital, believed to be in excess of SKr 150m.

The share lesue, which was a primary condition for the banks agreeing to the debt package, will be made in the spring. Fermenta said that "substantial interest" had been shown by several companies and institutions in supporting the issue.

FERMENTA, the embattled Swed- ber close to 50 and include Bank of the company said that "firm cost-America, Union Bank of Switzer- mitments' that had already been land, Kansallis-Osake-Pankki of made, together with the new loans,

> · Industrivärden, the Swedisch investment company which now holds some 46 per cent of the voting The agreement assumes that all shares in Fermenta and which has Fermenta's creditors will accept a been leading the rescue negotiations, together with Götabanken and Nordbanken, have granted Fermenta a temporary SKr 65m subordinated deb enture as an advanc payment until the new equity issue ean be completed.

Fermenta, which had around SKr 2.8bn in bank debts at the end of last year, faced an acute liquidity crisis over the next two weeks.

More than half of the company's debt is short-term and it was facing repayment of a \$70m loan by the middle of this month.

All existing shareholders would be approached for new capital, but

"We would have had big problems in mid-February," said one senior executive in the company last night.

TENNECO, the Houston-based en ergy and agricultural equipment concern, yesterday reported net earnings from continuing opera-tions of \$31m, or 10 cents a share, compared with \$41m, or 13 cents, in

In the latest quarter, net from discontinued operations of \$18m and an extraordinary charge of \$46m reduced final net profits to 53m, compared with \$43m, or 15 cents a share, in the last quarter of 1985.

Although profits fell in the final quarter, the result represents an improvement on that of the third quarter of 1986, when a loss of \$249m from discontinued insurance operations caused a deficit of

For 1986 as a whole. Tenneco reported a fall in net profits from continuing operations to \$139m, or 50 cents a share, from \$171m, or 74 cents. After a loss from discontinued operations of \$132m and a \$46m extraordinary charge, there was a final net loss of \$39m. This compares with a loss of \$1m in 1985. which includes a \$172m loss from discontinued operations.

Revenues last year fell from \$15.2bn to \$14.5bn, with a fall from \$4.2bn to \$32.6bn in the final quar-

The energy business had operating income of \$547m in 1986. against \$888m in 1985, with the exploration and production division badly affected by the fall in oil and gas prices. The manufacturing seg-ment, which includes the Case heavy equipment business and Newport News Shipbuilding, more than doubled operating income from \$205m to \$424m.

Bouygues lifts sales 74% after acquisition

BY PAUL BETTS IN PARIS

construction group, yesterday re-ported an 8 per cent increase in con-

Sales rose sharply by 74 per cent to FFr 45.8bn last year from FFr 26.3bn in 1985. This significant rise in turnover reflects Bouygues' takeover last year of Screg another large French construction and civil

engineering group.
This acquisition and further expansion by Bouygues has now made the French group the world's largest construction company. Bouygues French construction business accounted for FFr 20.3bn of group sales last year and is expected to remain at the same level this year.

ness turnover is expected to fall FFr 4.5bn.

BOUYGUES, the leading French this year to FFr 6.8hn from FFr construction group, vesterday re-9.3hn last year.

construction group, yesterday reported an 8 per cent increase in consolidated net profits of FFr 480m are expected to increase with revenues of about FFr 8.1bn this year earnings of FFr 443m the year here. while Bouygues' diversified opera-tions are expected to show flat hum-over of FFr 9.3ba this year.

Overall, the company expects to-tal sales to show a small decline to FFr 44.5hn this year from their level of FFr 45.8hn ist year.

As a further diversification Body gues is actively competing for a big stake in TF-1, the French national television network being privatised by the Government in coming

Bouygues is hidding against the Hachette and Havas groups for con-trol of the chanel which the Govern-International construction busiment is expected to sell for FFr 4hn-

Air Inter ahead by 79%

mestic airline, raised its profits last year by 79 per cent to FFr 115.9m \$19.5m), on turnover up 11 per cent

The state-controlled airline carried 11.8m passengers in 1986, 11 per cent more than the previous year, and recorded its best seat occupancy rate - 68.5 per cent - since the

Lower fuel prices allowed Air Inter to keep its prices stable and counter the high-speed TGV trains which have taken a big slice of custom on some major routes, such as

Paris-Lyons or Paris-Grenoble. The Lyons route saw 4 per cent more traffic last year, while almost Grenoble. Air Inter's most popular

AIR INTER, the main French do-route, Paris-Marseilles, carried more than 1.5m passengers, up 8.8 per cent from 1985.

Air Inter's growth over the past ear has been built on increased family traffic. The company claims to have won an extra 600,000 passengers through its reduced price family and weekend excursion tick-

The strike on the French railways in December also gave Air Inter a boost, bringing an estimated 170,000 extra passe

Mr Pierre Eelsen, Air Inter presi dent, expects the level of traffic to rise 6 per cent in 1987, with ticket prices kept at last year's levels and an effort made to improve the quali-6 per cent more passengers flew to ty of service to business passen-

The sale of Assurances Générales de France (AGF), the first insurance company due to be privatised, has had to be delayed until the autumn, but GAN is expected to be ready for privatisation in 1968.

turnover in 1986 had risen by 14 per cent to FFr 19.5hn (\$3.28hn).

The company said its 8.4 per cent

stores group which last week anman companies against the backnounced an \$4 per cent jump in
sales for 1986, plans to raise DM will involve the issue of new non210m (\$117m) through a rights issue
voting preference and against the backfor 1986, plans to raise DM vill involve the issue of new nonvoting preference and against the backfor 1986, plans to raise DM vill involve the issue of new nonvoting preference and against the backfor 1986, plans to raise DM vill involve the issue of new nonvoting preference and against the backprovided the b for-12 basis at DM 360 each. Its ordinary shares have been trading re-The Cologne-based company said its spending would rise in 1987 to at least DM 350m from last year's DM cently at about DM 500. 275m, itself well above the average of the past 10 years. In the next four to five years, it plans to spend

The preference shares will rank for a 2 per cent dividend beyond that paid on the ordinary shares. Kaufhof has not announced its 1986 dividend, which rose to DM 7 (14 The rights issue, the latest of per cent) for 1985 from DM 6.50.

The two largest shareholders, the Metro cash and carry chain no longer banned by the Cartel Office from raising its 24.9 per cent stake and Schweizerische Bankgesellschaft

rise in turnover last year to DM 9.2bn was accompanied by "a not inconsiderable" rise in profitability. In 1965, net profits were little changed at DM 53.7m against DM 52.5m.

Kaufhof's issue comes after last week's announcement by the Aachener und Münchener insurance group of a DM 1.34bn rights call, while Deutsche Babcock also plans (UBS) with 17 per cant, intend to an issue. The Government intends take up their rights. to raise some DM 3bn by salling its 25 per cent stake in the Veba ener

gy group.
Stores and consumer-oriented shares have been a strong feature of the German stock market, which showed little net change in 1986 and has been falling

4th February, 1987

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BOND

Mexico poised to sell stakes in major banks

BY WILLIAM ORME IN MEXICO CITY

political giveway.

The sale fulfils a 1983 pledge by
the Administration of President Mi-

The bank's shares are being sold at prices far below their estimated market value to a restricted group

Tomorrow, shares will be sold in "People are mortgaging their Bancomer and Banamex, while houses to buy these things. tributed in coming weeks.

Mexico's largest banks, each holding about a quarter of the entire commercial banking system's as-sets. Bancomer is selling initially 23 per cent of its shares at a total price of 38bn pesos (about \$38m), while Banamex is selling the entire 34 per cent for 40bn pesos.

Bancomer's shares are being sold at about 1.5 times 1986 net earnings, while Banamex stock is being priced at 1.8 times earnings, stockbrokers said. Some of the more active shares on Mexico's booming stock exchange, traders note, sell on p/e of as much as eight.

A stockbroker said: "Once they hit the market, the bank stocks will climb sharply. The stocks, called

The company, which has been among the hardest hit by the slump

h oil prices, lost \$42.2m from con-

tinning operations in the final quar-ter of 1986 compared with net in-

come of \$28.7m in the correspond-

Mr William Bricker, the comp

ing and marketing due to continued

He added that exploration earnings "were further reduced by high-

er international operating costs and

leesehold and well impairments in

North American operations."

Banamex, in a pattern typical o the bank stock sales, is reserving 12 per cent of the shares for its employees. This is seen in part as a compensation for "employee distress" at the growth of the rival "parallel" financial system of Mexico's private brokerage houses -growth that has burt bank employees' wages. The brokerages will get

The biggest chunk of Banamex stock - 17 per cent - is destined for a select list of major banks' customers that is reportedly weighted towards businessmen in Mexico's provinces. Private sector opposition to the bank nationalisation was sharpest in northern Mexican

This is a hi-tech version of tradi-tional PRI [Institutional Revolutionary Party] patronage," the stockbroker said, referring to the Certificados de Aportacion Patrimo-nial – are "better and less risky than any corporate bonds," he said. "They call them con-vertible bonds, but what they really are is an old fashioned givesway."

b/d, and the company's two refiner-ies continued to operate near capac-

ity, with crude oil throughput of 128,000 b/d.

The group's sales and operating revenues fell 24.8 per cent to \$2.5bn.

The company reported a net loss for 1986 of \$115.6m, or \$1.16 per share,

compared with a net loss of \$804.7m, or \$5.09, in 1985.

The latest losses included a third-

Diamond Shamrock

\$195m in the red

to hasten Renault's

Martin, predicted yesterday. He said that Renault was already ahead of its target of breaking even financially by the end of 1987 and that the group's huge debt burden – FFr 60bn (\$10bn) or about half the annual sales revenue – had not in-

cutting its workforce by a quarter, reducing capacity and selling off peinheral operations so as to concentrate on its core business of vehicle

Mr Levy left Paris for the US yesterday for a private visit to American Motors Corporation (AMC), Renault's 40 per cent-owned associate and the company over which the

since 1979. He said AMC's sales of Renault Alliance and Encore models (sold in Europe as the Renault 9 and 11) are

quarter writedown of oil, gas and coal assets and a first-quarter writedown of crude oil inventories to However, exports of a version of the medium-sized R21, to be called • Mr J. Hugh Liedtke, chief executive of Pennsoil for the past 25 would reach 40,000 this year and years, has agreed to stay on to head rise to 50,000 in 1988. Next year 130 Rethe company after his normal re-tirement date.

The company said that in view of the protracted litigation with Texaco and the restructuring of the cor-poration, Mr Liedtke, Mr Bain Kerr, a former president of the company, and Mr Norman J. Luke, incorporate engines and trans-missions from France. a group vice president, have agreed to continue their duties with the company beyond their normal re-

Mr Bricker said that the company's worldwide oil production rose 38 per cent to 90,829 barrels per day (b/d) in the fourth quarter but the \$3.96, in 1985.

recovery' By Kenneth Gooding, Motor industry Corresponder

MR RAYMOND LEVY, the new owned French vehicles group, will speed up the recovery plan established by his predecessor, the company's export director, Mr Christian

creased for several months. Renault's losses in 1985 were FFr

10.9bn. They are expected to have been reduced substantially in 1986. Mr Martin said the faster-thanpredicted recovery would encourage Mr Levy to go ahead "stronger outlined by the previous chairman Mr Georges Besse, who was mur-dered outside his Paris home last November.

Mr Martin, during the run-up to the Amsterdam Motor Show, said that contrary to rumours which have been circulating widely in France, he did not believe Mr Levy had yet expressed any opinion about whether Renault should grad-ually disentangle itself from AMC, in which it has invested \$750m

expected to fall to 60,000 this year after dropping from 125,000 in 1985 to 74,000 last year.

AMC will also build about 130 Rensult Premiere cars at its new \$650m facility at Brampton, Ontar-io. The Premiere is bigger than the R21, on which it is based, and will

Mr Martin said Bensult - not including AMC - sold about 1.49m cars and 240,000 light commercial vehicles last year and expected to maintain that volume in 1987.

forecast to weaken slightly, Renault should improve its share of Western

MEXICO's Government is to sell minority shares in two major staterun banks tomorrow as the start of stocks in smaller banks will be disan operation that some stockbrokers are calling a straightforward

guel De La Madrid to return 34 per ent stakes in the banks to private hands, following expropriation in 1982 of the commercial banking sys-

Business leaders have been unsuccessfully urging the Govern-ment fully to privatise a third of Mexico's banks as an alternative to the present plan of selling a maximum 34 per cent share in each. The Government, however, continues to assert that expropriation is "irre-

of bank employees and clients. No individual investors may acquire more than 1 per cent of any bank's

Buoyant Banco Central plans to lift payout

By David White in Medrid

DIAMOND SHAMROCK, the Dalase energy group which earlier this cent from a year ago. Refined products week unveiled a massive restructuring in a bid to escape from the cent from a year ago to over 160,000 BANCO CENTRAL, the largest of Spain's commercial banks in terms of assets and deposits, is proposing unfriendly overtures of Mr T.
Boone Pickens, the Texas oliman,
has reported a loss from continuing
operations of \$195.6m or \$1.86 per
share in 1286. Pta 150 per Pta 500 nominal share, on profits which rose almost 40 per cent before tax last year.

The pre-tax earnings rise to Pta 26.62bn (\$208m), is in line with the sharply improved profit trend au-nounced by other leading Spanish banks. Unlike last year at the same stage, the bank did not announce a net figure.

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Chairman Mr Alfonso Escamez's ing period of 1985. However, it says it posted positive cashflow from continuing operations of \$211.7m in letter to sharholders attributed the improvement to the reduced cost of deposits and restraint on staff and other costs.

ny's chairman who is scheduled to The result was after an increase of about 48 per cent in write-offs and provisions to Pta 48.22bn. resign following the restructuring, said that the fourth-quarter loss reflected "lower earnings from refin-

Mr Escamez said that all but one of Central's banking subsidiaries in pressure on refining and retail price spreads, as well as depressed natural gas and crude oil prices which improved slightly at the end Spain and oversees showed a pre-tex profit, the exception being Banco Internacional de Comercio. Combined cash flow of the subsi-

of the quarter. diaries improved to Pta 23.86bn from Pta 9.57bn in 1985, with the recently troubled Benco de Valencia moving from a negative cash flow to a positive figure of more than Pta,

Central last raised its dividend WO YEARS AGO.

North American quarterly results

STANLEY WORKS

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394.5m 22.0m	27 i.m 23.1m
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	3 34.5m 22.5m 0.65 1.6m 77.5m 1.84 1896 6 6 55m 1.90

BY OUR NEW YORK STAFF vestment bank, increased its full-year net income by 38.5 per cent to \$180.5m or \$5.01 per fully diluted share, helped by a 73 per cent jump in fourth-quarter net income to

Mr Peter T. Buchanan, First Boston's chief executive, said that the company's performance reflected the momentum in the world capital "Together with our partner, Cred-

it Suisse First Boston, we again were the leaders in global capitalraising for our clients. Domestically, all of our business segments made excellent progress with investment banking and equities

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While First Boston appears to have avoided the problems associat-

First Boston surges ahead

ed with rapid growth which have depressed the performance of some of its rivals, Mr Buchanan said. "increased management attention and financial resources are being focosed on information systems, training and operating controls."

First Boston's revenues rose 47

The company's profitability in the equity markets "improved substantially" over 1985, gains were made

FIRST BOSTON, the Wall Street in- leading the way," Mr Buchanan merger and acquisition group assisted 235 clients in transactions with a market value exceeding

The fourth-quarter results were boosted by "excellent performance in the new issue market together with a higher level of advisory fee income. Merchant banking activity, ments, also contributed to the final First Boston's revenues rose 47 quarter performance as did the reper cent to \$1.3bn in 1986 and its expenses rose 51 per cent to \$1.1bn. quarter performance as did the return of the mortgage products group to "a high level of profitability."

The group's total capital funds tially" over 1985, gains were made in several sectors of the fixed income business and First Boston's 25 per cent to \$23.12.

1986 \$ 657.7m 139.4m 13.29 527.9m 5.03m 6.61

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INTERNATIONAL CAPITAL MARKETS and COMPANIES

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FUJI INTERNATIONAL FIG.

ance, Fuji Bank's London subsidiary, is causing a stir

among Japanese securities

dealers by becoming the lead

manager of a planned bond

upsets with

London's global ambitions signal aggressive mood

Its ambitions are underlined by Mr Alan Nash of Paine Webber, chairman of the Foreign Equity Market Commit-tee, which is overseeing the plans. "It won't take long for people interested in the German market to realise that they had

LONDON has been an important biggest British stocks would centre for trading foreign be part of a global market with shares for many years. But the prices displayed, perhaps, on Stock Exchange's development Reuter screens or those of rival plans to lead the global market, system. outlined yesterday, signal a highly aggressive stance which is likely to worry other exchanges around the world. The response of the Stock Exchange, given new impetus by the international securities firms which joined it last year,

Established stock exchanges is to try to become the focus of have found themselves facing international trading and therechallenges. Securities firms by to provide much needed wanting to trade foreign shares order, price visibility, liquidity have increasingly found it and supervision to what is a have increasingly found it and supervision to possible to deal away from the very fragmented market. exchanges. New York exchanges, for example, have had to accept the enormous growth of the screen-based Nasional Association of Securi-

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cred in London is that more better look at the prices in the business is done there in Swedish shares, mostly quoted by market makers in London on the Seaq International system than on

the Seaq International system, than on the Stockholm exchange.

The London exchange faced a similar challenge: unless it tried to capture international business, it could find itself thing that London has over former and treduced the system of the system business, it could find itself reduced to a marketplace reduced to a marketplace merely for second-line British stocks of little interest outside the country. The action in the

TRADES OF whole portfolios

of stocks—mis-named pro-gramme trading in London— have become commonplace in the competitive atmosphere

since Big Bang. They have been mostly in UK stocks. Mr

William Landreth of Goldman Sachs says trades of £20m to

£30m worth of stocks are now

internationalisation and sophistication of the market

occurred when several brok-ing houses in London were

asked by a large international investing institution last Thursday to put in "blind" bids on a \$120m international

equity trade.
The brokers were told only

that the stocks concerned

were blue chips and were of 10 nationalities—none would

be British. The twist was that

An example of the growing

prepared to commit our capital." The new system envisaged the institution was both a buyer and a seller. Brokers were asked to put in bid and offered prices without knowing in which nationality of stocks the institution would be a seller, and in which a

European centres is that we are

Shearson Lehman Brothers International (SLBI), putting in bids at varying discounts to market prices depending on the nationality of the stocks, won the deal on

Friday. On Tuesday, it was given a list of the stocks is was expected to buy and sell—the latter requiring rapid pur-chases in the market of the

stocks concerned. "In some countries, the stocks would not be considered to be really blue chips," said Mr Jacques Gelardin, SLBI chairman.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.



Alan Nash: better look at

by the Stock Exchange will allow up to 200 market makers to put in prices. Market makers wishing to quote a stock on the system will apply to do so, with the proving that the stock must be listed on an exchange recognised by the UK regula-tory authorities. It would not be necessary for the stock to be listed in London.

Supervision is expected to be handled in a manner similar to that of the Association of International Bond Dealers, Market makers will need to apply for membership of the Stock Exchange in its capacity as a Recognized Investment Exchange under Britain's new propulation structure, and will regulatory structure, and will therefore be required to meet trade reporting and any other requirements imposed by the Securities and Investments

But they are not expected to need authorisation by a UK Self Regulatory Organisation (SRO) - in this case, the Securities Association — unless they wish to transact investment business with parties in

Closing prices on Fabruary 4

issue by Marabeni Inter-national Finance. If the deal goes through, it would break an 11-year-old agreement within Japan's Ministry of Finance (MoF) that banks would not take lead management positions in overseas bond issues by

In 1975, the arrangement was seen as a way of strengthening the securities com-panies' international position. In addition, the Japanese banks had no experience of underwriting.

Both of these premises have long since disappeared. The leading Japanese securities companies are more profitable than the banks, and the top banks are among the market leaders in Eurobond issues. The MoF has apparently

Japanese companies.

given its blessing to the Fuji-Marubeni deal, and is arguing that it does not break the 1975 agreement because Marubeni International Fin-ance is not an industrial

However, bankers in Tokyo see it as a sign that the MoF is prepared to see the agree-ment lapse, perhaps to return for a similar sacrifice of protected territory by banks.

Turkey starts open-market dealings

By David Barchard in Ankara

THE TURKISH central bank ecluded its first day of open market operations on a modest scale yesterday, with the purchase of some T£100m (\$133,000) of government securities from nine different banks, according to Mr Rusto

panks, according to Mr Musto Saracoglu, deputy governor of the central bank.

"Transactions will be made on a daily basis from now on, and we hope to achieve an average daily volume of T£260n this year," Mr Saracoglu said.

The inauguration of openmarket operations is part of a wider programme of measures being introduced by the Turkish central bank to improve control over the money supply and to improve the range of instruments available to the money mar-

programme started with the establishment in May 1985, of a system of Last April the central bank started acting as a broker in local currency in the inter-bank market, and it is currently in the course of preparing the country's first commercial paper issue.

Marked growth in Liechtenstein bank earnings By John Wicks in Zurich

ALL THREE banks in the principality of Liechtenstein have reported a marked rise in profits last year, as well as a further growth in their balance-sheet totals.

The state-backed Liechtensteinische Landesbank showed a 15.8 per cent increase in net earnings to SFr 12.2m (\$8m). Since the bank's recently issued participation certificates are not entitled to dividend until this year, dividend payments of almost SFr 6.7m will ge to the Government, with SFr 5.6m to be transferred to reserves.

The rise in profits was due largely to much higher non-interest business (securities, net commissions and foreignexchange and precious-metals dealing). The bank showed a growth in its balance sheet of 7.1 per cent to SFr 4.29bn, excluding SFr 80m resulting from December's participa-

tion-certificate issue.

Bank in Liechtenstein (BIL), which is controlled by the Prince of Liechtenstein Foundation, booked a 35 per cent jump in its net earnings last year to SFr 35.4m and is to pay an unchanged 12 per cent on increased share and participation certificate participation certificate

The balance sheet total was up 9.5 per cent in 1986 to a record SFr 4.05bn, that of the BIL group increasing to SFr 4.6bn. The bank's profitand-loss account also shows most rapid growth in such non-interest sectors as commission income and that from foreign exchange and precious metals trading. However, interest income is said to have risen "significantly."

The third bank in the prin-

cipality, Private Trust Bank Corporation (Verwaltungs-und Private-Bank) is to pay an increased dividend of 12 per cent (10 per cent) from net earnings up 28.3 per cent to SPr 15m.

The state of the s

Longer maturities slightly firmer

LONGER-DATED Eurodollar with a group of investors. fixed rate bonds improved by about i percentage point yester-day as the US Treasury market opened up slightly firmer. Market activity was low, how-ever, as dealers focused on the fortunes of this week's US fortunes of this week's US

concentrating on issuing currency warrants, which have become fashionable in the Eurobond market lately, though a couple of new bonds emerged. Nomura International, with a

small group of one co-lead manager and three co-managers, launched a Y15bn, five-year 51 per cent bond for Ford Motor Credit. The deal was priced at The issue met a positive response from the market, even

though it seemed rather tightly priced, as the Euroyen sector continued to firm. In the secondary market, prices of shorter-dated issues rose by about ‡ point, and longer-dated issues by about ‡ point, and longer-dated issues by about ‡ point.

Meanwhile Morgan Stanley amounced a Y5bn dual-currency seven-year 7 per cent bond for National Bank of Canada, at DM 1.79. The first warrants, the issue is redeemable in US dollars at an exchange rate of were indicated at S39 per

though it seemed rather tightly

Late in the day, Daiwa Europe, with Mitsui Trust as

Treasury refunding programme.

Most Eurobond houses were coreantsting on initial yield of 87 basis points over US Treasury bonds. Elsewhere in the market a

host of currency warrants emerged. Swiss Bank Corporation International announced it was issuing up to 200,000 two-year warrants for SBC Finance (Cayman Islands) based on the Swiss franc/dollar exchange rate. Each warrant entitles the holder to buy \$500 at an exchange rate of SFr 1.60.

These warrants, which were quoted at \$36 each, were designed for small retail investors, but Bankers Trust

dicated at \$60.

Bankers Trust said the longer tranche had evoked more demand, because of the scarcity of currency warrants of five years'

life. Citicorp arranged for Citibank an issue of up to 100,000, twoyear warrants to buy \$500 at an exchange rate of DM 1.82. These were quoted at \$39.

Meanwhile the issue of SFr 25m worth of Swiss franc/ dollar warrants for Citibank, launched by Citicorp Investment Bank in Switzerland on Tuesday. was increased to SFr 50m nomi-

INTERNATIONAL

priced at SFr 7,900, buys SFr 100,000 equivalent at an exchange rate of SFr 1.55.

The Euro D-mark market firmed after the announcement of the terms of the new federal government bond. This was a DM 4bn ten-year 52 per cent bond priced at 992. It met strong demand and closed the day at prices around par.

WestLB's DM 300m ten-year dollars at an exchange rate of were indicated at \$39 per issue for Tokyo Electric Power per cer Y154.21 to the dollar. The issue warrant The second tranche, of met an enthusiastic response. Gasunic appeared to have been placed five-year warrants, was in The 6 per cent deal, priced at utility.

100%, traded well within its 2½ per cent fees at around 99% bit. CSFB-Effectenbank priced a recent DM 150m, ten-year convertible bond for the UK arm of Elders IXL, the Australian brewery and financial group. The coupon was fixed at 21 and the conversion premium at 9.9 per cent, to give a conversion price of A\$5.43. This was in line

with the indicated terms. Meanwhile CSFB-Nederland set the same conversion premium on a F1 100m ten-year bond for the same borrower. The coupon was fixed as indi-cated at 21 per cent.

In Switzerland, prices were unchanged in reasonable volume, Bio Holding's SFr 100m collateralised convertible closed its first day's trading at 99%, against a par issue price.

Kansallis Banking Group led a Euro-Finnish markka issue for Outokumpu, the state-con-trolled mining company. The five-year, 101 per cent deal was priced at 1001. Kansallis claimed this was the first Fin-mark Eurobond to be totally syndicated abroad.

Morgan Bank Nederland led an issue of 125,000 warrants exercisable into a F1 125m, 62 per cent seven-year bond for Gasunic, the state-controlled

Eurodollar floaters attractive—says study

BY OUR EUROMARKETS STAFF

much further than is warranted, according to a research paper by Gredit Sulsse First Boston, (CSFB), a leading player in the FPM market

THE Eurodollar floating rate London interbank bid rate continue to hold back from on perpetual issues, although note (FRN) market now offers (Libid) have reached levels not issuing new paper, fixed-maturity issues also suffactive buying opportunities seen for the past 18 months, as the recent sell-off has gone while secondary market margins the doldrums since it was year. while secondary market margins generally are at levels prevail-

the doldrums since it was shaken in the second half of

CSFB says that FRNs are investors who have been staying investors in the market, undervalued compared with the fixed rate bond market. Yield margins on issues based on interest rates borrowers will expensive for many traditional traditional investors in the market, above, above, and the likelihood that at current makers built up, their loss of FRNs confidence focused particularly Libor.

As a result, the prolonged ing more than 12 months ago.

Meanwhile, the market is "jumbo" issues priced against market has been reversed, so underpinned by the significant build-up of cash reserves among expensive for many traditional trading at yields close to, or that older sovereign issues are trading at yields close to, or above, London interbank offered rate. Some of the Libid-based FRNs offer yields as well over

Trading explodes in Portugal

STRONG FOREIGN buying last changed hands last month, month has driven trading counting in dealings on both the volumes on the tiny Lisbon and official and unofficial markets.

Oporto stock markets to un
The Portuguese authorities showing solid corporate per-

Just over 1m shares, valued at Esc 6.4bm (\$45m), and investments by foreign institutions, valued at Esc 1.5bn, nationla standards, as \$5-\$10m.

on careful selection of stocks showing solid corporate per-formance and paying regular opporte stock markets to the percentage and paying the percentage of portfolio capital that both ment, but are concerned that it dividends. Local investors have pleases and worries the be kept to manageable levels. They fear the market would be ested in speculative gains. ested in speculative gains. Foreign investors have been especially interested in shares

of financial institutions.

AGA arranges sterling paper programme

AGA, the diversified Swedish industrial group, is the latest in a series of borrowers to arrange a sterling commercial paper programme, Our Euromarkets Editor writes. Morgan Grenfell is the co-

ordinator of a £100m programme with County NatWest Capital Markets as co-dealer.

These Notes having been sold, this announcement appears as a matter of record only,



Toyo Trust Asia Limited

(incorporated with limited liability in Hong Kong)

U.S. \$100,000,000 73/8% Guaranteed Notes Due 1992

Unconditionally guaranteed as to payment of principal and interest by

The Toyo Trust and Banking Company, Limited

(incorporated with limited liability in Japan)

Toyo Trust International Limited

Morgan Stanley International

Nomura International Limited

Barclays de Zoete Wedd Limited

BankAmerica Capital Markets Group

Bank of Montreal Capital Markets Limited Chase Investment Bank County NatWest Capital Markets Limited Deutsche Bank Capital Markets Limited

Goldman Sachs International Corp. Kleinwort Benson Limited

Manufacturers Hanover Limited The Nikko Securities Co., (Europe) Ltd. Salomon Brothers International Limited Security Pacific Hoare Govett Limited

Union Bank of Switzerland (Securities) Limited Wood Gundy Inc.

Shearson Lehman Brothers International Swiss Bank Corporation International Limited

Bankers Trust International Limited Banque Paribas Capital Markets Limited Citicorp Investment Bank Limited Daiwa Europe Limited First Interstate Capital Markets Limited Kidder, Peabody International Lloyds Merchant Bank Limited Merrill Lynch Capital Markets Orion Royal Bank Limited Sanwa International Limited Taiyo Kobe International Limited S. G. Warburg Securities

Yamaichi International (Europe) Limited

January, 1987

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Closing prices on F/

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Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is to millions of currency units except for Yeo bonds where it is in biffions. Change on week—Change over price a week carrier. price a week carifier.

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povertible Boards: Denominated in dollars unless otherwise indicated. Chg. day—Change on day. Chy. date—First date for conversion into stares. Chy. price—Monkoal amount of bond per conversion into some section in new purpless amount or bother parties of the current effective price of acquiring sharing plants of the current effective price of acquiring sharing via the bond over the most recent price of the

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All of these securities having been sold, this announcement appears as a matter of record only.

U.S. \$1,000,000,000



The Kingdom of Denmark

7 per cent. Notes Due 1988

Shearson Lehman Brothers International

Nomura International Limited

ABC Union Bank of Norway

Banca Manusardi & CIE.

Banco di Roma

Bank for Foreign Trade of the USSR

Crédit Lyonnais

Fuii International Finance Limited

E F Hutton & Company (London) Ltd

The National Commercial Bank (Saudi Arabia) Prudential Bache Securities International Security Pacific Hoare Govett Limited Smith Barney, Harris Upham & Co. Incorporated

Sumitomo Trust International Limited

Tokai International Limited

Privatbanken A/S

Copenhagen Handelsbank A/S

Yasuda Trust Europe Limited

Den Danske Bank

These securities have been sold outside the United States of America and Japan. This ann appears as a matter of record only.

NEW ISSUE

4th February, 1987



NISSHIN STEEL CO., LTD.

U.S.\$70,000,000 75/s per cent. Guaranteed Notes Due 1992

Unconditionally guaranteed as to payment of principal and interest by

THE SANWA BANK, LIMITED

Issue Price 101½ per cent.

Nomura International Limited

Toyo Trust International Limited

Banque Nationale de Paris

Banque Paribas Capital Markets Limited

Baring Brothers & Co., Limited Commerzbank Aktiengesellschaft Citicorp Investment Bank Limited **KOKUSAI** Europe Limited

LTCB International Limited

Manufacturers Hanover Limited

Morgan Guaranty Ltd

Sanwa International Limited

Yamaichi International (Europe) Limited



A/S NEVI

DKK 600,000,000 Floating Rate Notes due 1993 Tranche B of DKK 300,000,000

In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 6th February, 1987 to 6th May, 1987, the Notes will bear interest at the rate of 11.0625 per cent. per annum. Coupon No. 2 will therefore be payable on 6th May, 1987 at DKK 6,837.24 per coupon for Notes of DKK 250,000 nominal.



INSURANCE AND INSURANCE BROKING

The Financial Times proposes to publish a Survey on Insurance and Insurance Broking on April 4, 1987. Among the subjects reviewed will be:

- The major world insurance Markets
- Profiles on major International Direct Insurance and Insurance Brokers
- Information Technology
- Leading Analysts' views on trends
- within the Industry Life Assurance and Pensions

For information about advertising in this Survey and a copy of the synopsis, contact Brian Kelaart, David Reed or Michael Bamfylde on 01-248 8000, extensions 3286, 3461 and 4008.

FINANCIALTIMES

EUROPE'S BUSINESS NEWSPAPER The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor

INTL. COMPANIES and FINANCE

HWT puts broadcasting interests up for auction

THE AUCTION for Australian licence for Adelaide's ADS-7. media assets gained further momentum yesterday with the board of Herald and Weekly Times (HWT) inviting tenders for the sale of its broadcasting

The board made the call after John Fairfax entered the bidding for selected HWT electronic assets. Fairfax, which has countered the A\$2.3bn (US\$1.53bn) bid for HWT from Mr Rupert Murdoch's News group with a A\$2.5bn offer of its own, is now effectively proposing an alternative to Mr Murdoch's plan to sell the Herald electronic assets.

Fairfax has offered A\$270m for the licensee of the Herald's Melborune - based channel HSV-7 and is also bidding A\$90m for Television Broad-casters (TBL), which holds the

The Adelaide bid has an alternative of A\$115m for TBL plus two Herald radio stations in Victoria and two in South Australia. The offers compare with conditional contracts already held by Mr Murdoch, if the News group gains control of the Herald, to sell HSV-7 to Mr Robert Holmes à Court for A\$260m and the Adelaide station plus radio interests to

another Perth businessman, Mr Kerry Stokes, for A\$110m. Fairfax has made the offer through a wholly-owned sub-sidiary, Dysford Proprietary, and is offering a 10 per cent deposit immediately on signing with the balance in cash in

seven days. The Fairfax offer came as the HWT board was meeting to decide on the electronic media

proposals, a move which has the potential to clear the way for the Australian Broadcasting Tribunal to approve Murdoch acquisition of

company.

The tribunal on Tuesday adjourned a hearing into Mr Murdoch's takeover in order to await the outcome of the Hunt board meeting. The Fairfax offer again emphasises the company's determination to play a part in the media carve-up taking place in Australia and thus avoid being relegated to a junior position in the

to a numer position in the industry.

Tenders must reach the Herald today and will be considered at a board meeting tomorrow. Mr John Dahlsen, HWT chairman, said the company had already received an additional offer for HSV-7.

Bell Group up 50% at halfway

BELL, GROUP, Mr Robert Holmes a Court's Perth-based master company, yesterday re-ported net profits ahead by more than half in the six months to December, to reach A\$84.43m (US\$ 56.2m) com-pared with A\$55.78m. The result was struck, how-ever, before extraordinary

ever, before extraordinary credits — although these amounted to just A\$139,000 in the latest period, the 1985 first half had produced a special gain of A\$49.14m. This arose from

the disposal during that time of Bell's international music pub-lishing interests. Attributable profits were thus down by 19.4 per cent.
Earnings per share were
stated as 39 cents against an
adjusted 26 cents, also exclud-

adjusted 26 cents, also excluding the extraordinary items.

The interim dividend is being maintained at 5 cents per share, paid from an increased equity base of 215.57m shares compared with 155.42m units in the comparable six months.

The company managed a marginal reduction in the tarcharge to A\$32.68m, but interest payments jumped more than four times to A\$168.53m from A\$40.33m, and depreciation took upwards of 2½ times more at A\$70.57m against A\$25.93m. The results for Bell Group broadly parallel those announced on Tuesday at Bell Resources, its energy affiliate through which it has a key stake in Broken Hill Proprietary, Australia's largest company.

Coles Myer to expand abroad

Australian retail group which is today due to gain a listing on the London Stock Exchange, aims to invest in retail businesses internationally in order to expand beyond its

In an interview yesterday, Mr Brian Quinn, managing director, said the opportunities for further expansion domestically had become limited following the A\$1bn (US\$665.5m) takeover by G. J. Coles of the Myer group in

Australian retailers resulted in Australian retailers resulted in the world's largest retail group outside the US, with sales in 1985-96 of more than A\$10bn—virtually all of it in Australia. The underlying aim of today's London listing is to bring the Coles Myer name to potential investors in an area where the company already raises finance.

The move, plainty secred to

The move, plainly geared to the group's planned future direction, may eventually be

2 per cent.

expenses, in bond issues.

followed with listings in New York and Tokyo, although this

Mr Quinn refused to say when Coles Myer might start investing abroad, but he acknowledged that the group was looking at Britain and the US. "It is fundamental to our them that we invest in setal." future that we invest in retail businesses internationally," he

Group sales in the current year are, meanwhile, expected to rise to A\$11.5bn, a marginal rise in real terms, and after-tax profits, which were A\$173m in the year to July 1986, are likely to be around A\$200m, depend-ing on the burden of new taxes.

JAL share sale may net \$4bn for state

gar

By Carla Rapoport in Tokyo THE JAPANESE Governme may raise more than \$45n this year from the sell-off of its stake in Japan Air Lines (JAL), nearly twice the

nianued. due to the sharp rise in JAL's share price since the budget forecasts where drawn up last year. Farther, the Govern-ment is now seriously con-sidering a plan to sell off all of its 48m shares in one tranche this autumn.

per cent of the nation's flag carrier. JAL's share price has been a stunning per-former in the stock market over the last year, more than doubling to stand at Y12,900 Although the Ministry of Finance would not comment a single sell-off is becoming the preferred eption, mainly because it would reduce the risk of having to sell at lower prices in the future. In addition, JAL itself is anxious to complete the pri-

vatisation process as soon as possible so that it can get rid of the stigma of being associated with a government when competing for new routes with private sector

MIM warned on Porgera offer

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The Pit

PRIME MINISTER Paias
Wingti of Papus New Guinea
has issued a blunt warning to
MIM Holdings, the Brisbane
mining group, that he is "not
happy" with proposals to
offer his nationals only 4 per
cent control in the company's eent equity in the company's Porgera gold project, which is due to form the basis of a

share fletation. Mr Wingti said: "The Goverament will not allow itself to be forced into a situation of accepting offers from any mineral prospecting company until it is absolutely certain that Papus New Guineaus, especially ordinary citizens,

The exhinet is today to consider a submission on the flotation, as issue which has caused a split in the Govern-

Investment income dip hits Daihatsu Motor

DAIHATSU MOTOR, the compared with a year ago. The interim dividend, mean- several years. Japanese small car maker which Turnover at Y264,05bn was up while, is unchanged at Y3 a Miti's latest belongs to the Toyota group, suffered a 24 per cent fall in pre-tax profits to Y3.94bn (\$25.85m) in the first half to

Among the country's car makers, all suffering from the yen's steep rise, Dahatsu fared relatively well thanks to its high proportion of domestic sales. Its operating profits rose a sub-stantial \$1.5 per cent to Y2.92bn, reflecting booming domestic sales and its streamlining

Net profits were 8 per cent lower to Y2.2bn, and the earn-ings setback was attributed to a fall-off in investment income

Loss provisions depress NBB profit by 45%

By Our Financial Staff

NATIONAL BANK of Bahrain (NBB), the country's largest bank, is to tighten its lending policy following an adverse impact on profitability last year from a large boost in provisions.

The provisions reflected possible loan losses and write-downs on investments. They were lifted to BD 6.99m (\$18.55m) fro mBD 4.26m, after which 1986 net profits emerged at BD 4.37m, a drop of more than 45 per cent from 1985's BD 8.04m. The bank said that in future

it would require guarantees back lending requests.

BfG: Bank für Gemeinwirtschaft. London Branch U.S.\$100,000,000 FLOATING RATE DEPOSIT

In accordance with the provisions of the Notes, notice is hereby given that for the interest Period 5th February, 1987 to 5th August, 1987 the Notes will bear interest and 5th August, 1987 the Notes will bear interest. at the rate of 6%s% per annum. U.S.\$10,000 Note will be U.S.\$329.95. The interest Payment Date will be

5th August, 1987. negu & Co. Limiter Agent Bank

ALLCO INTERNATIONAL LIMITED SAY and irrevocably guaranteed b

Daibatsu's domestic sales of the Mira minivan and Hijet minitruck (both 550 cc) showed

gains of nearly 20 per cent in gains of hearly 20 per cent in unit terms. As a result, the company's domestic unit sales increased by 9 per cent to 230,000 units. Exports fell by 5 per cent to 60,000 units. Total car unit sales, including those commissioned by Toyota Motor, reached 356,000 units, up 2 per cent.

The strong growth in operating profits was more than offset by the increase in non-operating expenses, including those for

share.

For the remaining half-year to June, Daihaum plans to ex-pand domestic sales further by the introduction of new minicars and a remodelled Charade range. The company will aim to maintain full-year pre-tax profits at Y8.2bn on sales of Y550bn, up 2.7 per cent. The Ministry of International Trade and Industry (Miti) yes-terday decided to allot a car export quote to Daihatsu for

the fiscal year starting in April. Daihatsu had not been given a quota in Japan's voluntary restraint on car exports to the US for the past

Miti's latest decision stemmed from its belief that denying new entry into the US market by a Japanese car maker ran counter to the free trade principle. Daihatsu has been principle. Dainam has been calling on Miti to allow it to export 23,000 cars a year starting in April, equivalent to 1 per cent of the total ceiling of Japan's car exports to the US for the year.

However, Miti intends not to accede in full to the request. The company is preparing to begin exports in September. The ministry is expected to complete quota allocations for Japanese car makers by mid-March.

We take pleasure in announcing that the following have been elected Managing Directors

Equity Division Donald L. Crooks Allerton Cushman, Jr. Douglas H. Kanarek Samuel R. Karetsky Andras R. Petery

Foreign Exchange Paul G. Kimball

Frank T. Pratt

Investment Banking Division Karen H. Bechtel Hussein H. Choucri A. William Hamill III Catherine B. James Robert W. Jones Robert H. Lessin Donald A. Moore, Jr. Robert C. Murray Steven L. Rattner Donald C. Weeden

Finance, Administration & Operations Robert F. Gartland Bryan J. Walsh

Morgan Stanley Asset Management Gordon S. Gray

Tax Exemple

R. Michael Bowe Thom W. Harrow Taxable Fixed Income Division Robert E. Diamond, Jr.

David C. Farrand William R. Hebel Marie-Elaine A. La Roche John F. Lyness Kenji Munemura Jeffrey H. Salzman Jeffrey F. Smith Kenneth P. Urban William F. Wallace

MORGAN STANLEY

effective January 1, 1987 subject to approval by the New York Stock Exchange, Inc.

1251 Avenue of the Americas, New York, New York 10020

UK COMPANY NEWS

Barrow says no to £27.2m bid from Yule Catto

company at £27.2m.

Barrow promptly rejected the final offer and concentrated its

exercises strategic control of the company."

Yule Catto has only rarely

over many years, its incoherent strategy and its uncertain prospects for future growth."

Mr Alex Walker, chief executive, said: "It is long past time for change at Barrow Hepburn."

In reply Barrow focused on the Sha Catto's price. Mr Walker would give a sharcholders time for change at Barrow mercial benefit from our pro-

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In reply, Barrow focused on Yule Catto's continued exposure to the plantation sector and the large proportion of its working capital tied up as fixed assets in Malaysia and South Africa.

With a 28 per cent stake in shares is Yule Catto held by Ruala is a full Lumpur Kepong, itself a plantations group, Barrow also sugyesterday.

Yule Catto yesterday unveiled gested that the "presence of a new cash and shares offer for such a large and poorly per-Barrow Hepburn which values forming foreign shareholder the chemicals and engineering raises questions about who company at £27.2m.

fire on the strength of Yule issued ordinary shares since it Catto's share price, which it went public in 1971. According called "extraordinary" in view to the company, the decision of problems which it said confrented the chemicals, building materials and plamations

Yule Catto, however, described the new terms as "compelling, given Barrow Hepburn's appalling financial and share price performance over many years, its incoherent to the company, the decision to the company, the decision to include ordinary shares in the final offer reflected institutional pressure to obtain more shares and the rise in its share price from 246p to 313p since the bid was launched.

Barrow said that it had asked the Takeover Panel to investigate the sharp rise in Yule ordinary shares in the final offer reflected institutional pressure to obtain more shares and the rise in its share price from 246p to 313p since the bid was launched.

Barrow Each Catto's price ordinary shares in the final offer reflected institutional pressure to obtain more shares and the rise in its share price from 246p to 313p since the bid was launched.

Barrow Each Catto's price ordinary shares in the final offer reflected institutional pressure to obtain more shares and the rise in its share price from 246p to 313p since the bid was launched.

Barrow Each Catto's price price from 246p to 313p since the bid was launched.

Barrow Fallow Fall

Mr Walker said the shares would give accepting Barrow shareholders "a distinct parti-cipation in the substantial commercial benefits that will flow from our proven management team working full-time to deve-lop the company."

With Yule Catto up 13p to 313p, its offer of five shares plus £15.05 in eash or loan notes for every 43 Barrow shares is worth 71.4p. There is a full cash alternative of 65p. Barrow added 3p to 68p

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All sassonally adjusted

	Indl.	Mg.	Eng.	Retall	Retall.	Uzem-	_
1985	brod	output	order	vol.	ANJERA	ployed	₹aes.
nd qtr.	169.1	104.5	. 109	114.9	141.4	3,174	161.7
rd atr.	108.3	103.9	104	116.1	145.2	3,124	164.4
th qtr. 1986	168.4	103.6	196	116.7	177.7	3,122	168.2
st qtr.	109.4	102.8	185	118.2	145.4	3.171	166.5
and que.	108.9	183.5	185	120.0	152.7	3,208	175.6
rd qtr.	110.5	104.6	107	122.1	157.4	3,212	200.2
th otr						3,142	213.0
Lay .	108.5	103.1	107	118.5	149.B	3,205	172.1
une	107.6	103.3	108	121.7	155.4	3.220	184.4
uly	110.1	104.8	103	120.9	158.2	3,220 3,223	193.2
ugust	110.5	194.4	163	122.0	155.2	3.219	201.1
eptember	111.0	105.E	113	123.2	158.7	3,193	206.4
ctober	109.8	165.6	196	123.2	164.7	3,166	212.8
Jovember	110.8	165.7		126.4	182.1	3,145	215.2
ecember				125.9	3.114	210.0	

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

1000	Cramer. goods	invest.	<u>Intrad.</u> goods	Eng. output	Mota) maig.	Textile etc.	House,
1985 2nd atr.	103.3	165.2	113.8	195.7	117.7	182.0	18.2
ard qur.	194.3	162.5	113.1	103.6	116.2	103.2	17.3
ith atr.	103.7	102.7	113.5	163.2	114.0	102.4	15.6
1986	. Tages	Jus. r	774-2	ID-	114.9	104.4	19.0
ist atr.	103.I	192.5	115.5	102.1	111.3	103.1	14.2
ind gtr.	104.3	100.5	114.9	162.0	110.9	103.3	19.8
rd qtr.	105.1	101.8	117.0	103.5	107.7	102.4	18.9
May	163.8	100.4	114.2	102.0	111.0	100.0	19.2
une	104.4	99.40	112.7	101.0	113.0	104.0	21.5
uly	196.2	100.8	116.3	103.0	109.0	109.0	26.8
August	106.4	100.3	117.8	102.0	106.0	104.0	16.6
september	106.6	101.7	117.5	104.0	108.0	102.0	19.3
Octobez	106.7	101.2	115.3	104.0	115.0	101.0	20.0
November	106.8	101.6	115.3	184.0	116.0	163.0	15.0

EXTERNAL TRADR—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

erreze£
USSbn=
o salen
14.18
15.54
TOTAL
18.75
19.28
20.14
21.97
19.20
19.68
18.93
22.43
21.29
22.01
21.92 21.95

FINANCIAL—Money supply M0, M1 and sterling M3, (three months' growth at annual rate) bank sterling lending to private sector; building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

4coson-	orall announce					me berre	
		٠		Bank	B\$	· KP	Basa
	340	Mil.	143	lending	inflow	landing	rate
•	300	- 6	- 1	£30	£206	Š.	76
1985	-	-	70		_		-
						0.401	
4th qtr.	2.9	17.0	12.9	+5,378	2,299	3,481	11.50
1986							
	4.1	21.4	19.3	+6,208	2,220	7,385	11.50
1st qu.				1 0,000		1,000	
2nd qtr.	3.1	28.1	27.4	+6,450	1,433	7,658	19.00
3rd qtr.	5.9	30.7	15.6	+6.838	158	8,304	10.60
4th qtr.	7.6	14.2	13.6	+10,144			11.00
ACT Gree	4.3	27.3	35.8	+2,004	500	2,372	18.00
May	46.0			TANDUS			
June	3.9	28.7	21.5	+3,001	177	2,543	10.00
July	5.4	35.6	20.9	+3.279	387	2,719	10.00
	5.7	22.6	8.5	+2,715	452	2,678	10.00
August				TANKELO			
September	6.6	34.4	17.7	+844	-671	2,987	10.00
October	6.3	18.5	14.1	+3,549	1,951	2,886	11.00
November	6.4	27.5	18.4	+3.910	160	2.585	11.00
Motember		-1.2	8.5	+2,683	703	-funda	11.69
December	22.2	-12	0.0	T6,003	103		11.00
7							11.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1974=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earn- ings	Basis matis."	Thale.	RPI	Foods*	Routers'	Sterling
1985 4th qtr.	176.9	132.6	141.4	378.1	337.4	1,771	79.8
1986	7100	TOTAL		0.00		_,	
1st gtr.	179.1	132.4	143.4	380.8	343.3	1,813	75.1
2nd qur.	484.0	125.8	145.7	385.7	349.5	1,453	76.1
Srd qtr.	187.4	126.8	146.3	386.1	348.1	1,544	71.9
4th atr.		127.3	147.4	391.D	348.3	1,637	68.2
June	185.7	124.2	145.8	385.8	351.A	1,453	75.9
July	187.9	119.8	146.0	284.7	347.4	1,460	74.0
August	187.2	120.3	146.3	385.9	348.6	1,461	71.4
September	186.8	122.4	146.7	387.8	348.3	1,544	70.4
October	188.3	124.3	147.0	388.4	347.6	1,600	67.8
November	191.0	127.5	147.4	391.7	347.5	1,617	68.5
December		130.2	147.8	393.0	349.8	1,637	68.4
Tamuare						1.604	68.8

 Not seasonally adjusted. † From January 1986 includes amounts outstanding on credit cards.



Fothergill accepts Courtaulds as 'white knight' withdraws

The board of Fothergill and Fothergill." Harvey, the Lancashire-based manufacturer of advanced and and industrial products group. Fothergill had been fighting the bid since November. Fothergill said its change of tack occurred after the company which had appeared interested

in making an alternative offer ended talks, because it could not match Courtauld's latest Courtaulds had also clarified a number of assurances it had

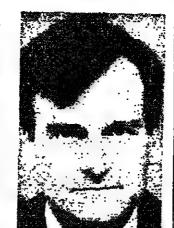
He added: "We do not repremanufacturer of advanced and sent a threat to employment, electrical insulation materials, rather the other way round." has decided to recommend the latest offer from Courtands, the international, textiles, chemicals and industrial products group.

Fothergill had been fighting fothergill chief executive, would be staying on in that role. Courtailds would honour the existing pension rights of Fothergill's workers.

that Conway said he trace that Cyanamid, Fothergill's US partner, would now exercise its option to buy out Fothergill's half share in Cyfo, their joint venture company.

given Fothergill.

Mr Sipko Huismans, a Courtaulds' share offer is on a mine-for-11 basis. With Courtaulds director, said yesterday: "We don't have any plans to rationalise or change Fothergill that didn't already exist in or loan note terms are 300p.



previous year, He added, however, that pros

perts for 1987/88 were enhanced by expected savings from the

Victor Products' two main markets are the coal and oil in-

dustries. The first is beset by shrinkage and a bunching of

over-enthusiastic ordering in the immediate wake of the miners

strike, the second has been hit by the collapse in the price of crude. Neither appears to be on the brink of dramatic re-

covery, so Victor has been look-

ing for opportunities to diversify. These efforts have so far proved fruitless, so the company has turned to cost-cutting (that is, redundancies) as a profits restorative. The effects will not become apparent the years in

restructuring,

comment

Victor sounds profit warning

warning of a downturn in the second half.

Although turnover expanded Wallsend, from £9.58m to £10.33m, profit Consect from £9.58m to £10.33m, pront before tax fell 33 per cent to £348,000 against £516,000 last time. Tax accounted for £122,000 (£206,000), while sta-ted earnings per share fell to 2.5p against 3.6p for the com-parable period.

Shares of Victor Products, the Mann, chairman, said that the Tyne and Wear-based industrial reduced profits reflected com-Tyne and Wear-based industrial reduced profits reflected com-and mining equipment manufac-turer, fell 20p to 93p, yesterday, wiping 17 per cent off of the company's market capitalisation. The chairman added that This follows the announcement victor had responded to the of reduced profits for the six situation by examining the months to October 31 1986, and Victor had responded to the situation by examining the company structure and concentrating the mining and lighting businesses in a single site at

> tions in management and over-head costs were anticipated. The restructuring was expected to result in an extraordinary deficit of around £500,000.

Consequently, sizeable reduc-

2.5p against 3.6p for the comparable period.

The interim dividend is held at 1.75p.

The figures were foreshadowed by the company in a statement last month. Mr L. R. The figures were the financial year and that the statement last month. Mr L. R. The figures were statement last month. Mr L. R.

Demerger Two questions L & N's profitability

DEMERGER TWO, bidding for Dahlawi, a Saudi trading com-London and Northern Group, pany; Bradley Investment and has questioned how the con-Finance Corporation, an investstruction, healthcare and energy sompany would avoid a further decline in profits arising from problems in its UME

subsidiary.

L&N needed to act swiftly to spell what provisions it spell what provisions it planned to make as a result of the termination of a manage-ment contract at the Al-Qassimi hospital in Sharjah, Demerger said in its latest circular to L&N shareholders. It was announced yesterday,

that the bid would not be eferred to the Monopolles and of the syndicate underwriting its £90m cash alternative in an effort to rebut L&N's claim that

In addition to Ifincorp Earl & Co. Demerger's adviser, and its Luxembourg-based parent com-pany, Ifincorp Fund Manage-ment, the co-managers are: Al

pany; Bradley Investment and Finance Corporation, an investment company managed by Kidder Peabody Geneva; Dumenil Leble subsidiary Dumenil Investment Services; Gota (UK), a subsidiary of Sweden's Gotabanken; UK stockbroker Guy Puckle & Co; and Guernsey-based fund manager Hamilton Brothers.

Each communication, an investment and invest

Each co-manager had under-written at least £10m, Ifincorp

Demerger said that its pro-posal to break up and reficat L&N's four main divisions fit Mergers Commission.

Demerger has also published for Pilkington, that conglomerates did not "allow companies ares did not "allow companies apparately and successfully against BTR's bid to be run separately and effectively under independent management."

In reply to the latest docu-ment, L&N said that its original objections remained "valid and unanswared. Demerger Two attempts to disguise the implausibility of its proposals by a smokescreen of innuendo." the underwriters had unproven

Public Works Loan Board rates

10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+ 10+

A FINANCIAL TIMES SURVEY The next FT survey covering the West Country will be on the subject of

It will be the first occasion that the FT will have published a survey on this city, consequently it will attract high readership interest. If you wish to know more about this survey

> Clive Radford FINANCIAL TIMES Merchants House Wapping Road

EUROPE'S BUSINESS NEWSPAPER

of the Editor.

THE REPORT OF THE PROPERTY OF

has 29.9% of Aberdeen Fund

By Philip Coggan

privately-owned Aberdeen Fund Managers.

Ensign is paying £1.6m by subscribing for 597,500 new ordinary shares at 100p each, with a further £1m in the form of convertible loan stock, which when converted will increase Ensign's stake to around 40 per cent.

US PVC arm

pleted the sale of its PVC compounding business in the US to Vista Chemical of Houston, Texas, Terms were

Houston, Texas, Terms were not disclosed, BP, which acquired the business at part of its purchase of the polyalefins division of Reichhold Chemicals in May 1985, said it did not fit in with its strategy.

Bula Resources

become apparent this year: in-deed, a halving of profits to around £750,000 is in sight. That puts the shares in which the BULA RESOURCES, an Irish company's own pension fund is a significant investor — on a a significant investor — on a prospective price/earnings ratio of 17 even after yesterday's 20p drop in the share price to 93p. That looks demanding even i the light of next year's possible profits recovery: Victor's share price relative to the wider market has been moving inexorably downhill since the beginning of the decade, and predetors may not be enthusiastic about arresting the decline with debt at over 70 per cent of ahareholders' funds.

Ensign Trust

Ensign Trust, the invest-ment trust controlled by the Merchant Navy Officers' Pension Fund, has acquired a 29.9 per cent stake in the

Aberdeen Fund Managers was established in 1983 and manages investments worth around £70m. It acts as investaround £70m. It acts as investment adviser to three unit trusts, Scottish Extra Income Fund, Scottish UK Growth Fund and Scottish North American Income Fund, all of which are managed by Scottish Unit Managers, in which Aberdeen has a 24.5 per cent stake.

BP disposes of

hydrocarbons exploration and development company, has acquired Mossrigg for 2 consideration of 22.5m Bula shares which yesterday rose 0.5p to 3.75p. Mossrigg's assets include £436,000 in cash and a 10 per cent interest in a hydrocarbon exploration permit in the Paris basin. The move is consistent with Bula's policy of growth through acquisition and further opportunities are being considered. hydrocarbons exploration and

cent stake.
Ensign Trust stressed that it regarded the stake as part of its investment portfolio of its investment portfolio (its gros assets are currently) worth around £275m) rather than as a prelude to an acquisition.

JOSEPH WEBB PLC

I despert of the party is a few second	ч,
Six months	Six months
38/9/86 ct	to 30/9/85
£	£
3,252,772	2,894,153
3,112,674	2,765,383
140,098	127,770
437,349	386,399
305,307	272,493
132,042	113,906
(259,337)	(255,140)
178,012	131,259
130,012	93,259
0.48p	0.34p
2.625p	2.625p
0.1313p	0.1313p
	\$\text{fx months}\$ \$\tau 30/9/86 \\ \tau 437,349 \\ \tau 305,307 \\ \tau 30,042 \\ \tau 259,337\) \$\tau 78,012 \\ \tau 30,012 \\ \tau 48p \\ \tau 625p align*

Mr J M Webb, Chairman, reports:

* Holiday interests in the UK increased.

★ South of France caravan accommodation disposed. Investment portfolio rental income increased.

Where development of existing properties occur they will be

Good prospects for caravan sales to owner occupiers.

Grindlays Eurofinance B.V. U.S.\$100,000,000

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Grindlays Bank p.l.c.

In accordance with the provisions of the Notes, notice is hereby given that for the interest period 4th February 1987 to 3 August 1987 the Notes will bear an interest rate of 6716% per annum. The interest payable on the relevant interest Payment Date, 3 August 1987 against Coupon No.7 will be U.S.\$ 321.88.

Agent Bank ANZ Merchant Bank Limited formerly Grindlay Brandts Limited.

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A THOROUGHBRED AMONGST BANKS.

Effective February 4

Over 1, up to 2 104
Over 2, up to 3 104
Over 3, up to 4 104
Over 4, up to 5 104
Over 5, up to 6 104
Over 8, up to 7 104
Over 8, up to 9 104
Over 10, up to 15 104
Over 10, up to 15 104
Over 15, up to 25 ... 104 Non-quota loans B are I per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Retayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

This survey is due to be published on April

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Bristol BS1 4RW LONDON - FRANKFURT - NEW YORK The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion

Union Discount surges to £10m

Union Discount, one of the few remaining independent dis-count houses, yesterday reported resurgence in pre-tax profits from £1.13m to £10.78m in the year to last December and set itself the target of ironing out the volatility of its resulfs. Analysts had expected about £4.7m. Union's shares rose 17p

to 785p.
The 1985 pre-tax profit of £1.13m marked a downtum from the previous year's £7.94m. Union Discount said it was now part of the group's strategy to concentrate resources in areas providing more stable returns than those from the discount

house. Net investment in leases increased from £56m to £83m

during the year,
Mr Graeme Gilchrist, managing director, said: "It is part of our strategy to concentrate more of our resources in areas providing returns which are likely to be more stable than those available in the discount

"The financial markets are



Mr Graeme Glichrist, manag-ing director of Union Discount

changing rapidly. There will be opportunities to build on our traditional strengths and to expand in profitable, related areas An increasing and stable rate

of return is our target."

A final dividend of 29p is

proposed, making a total of 40p of the market, we will benefit compared with 37p last year. In an attempt to reduce the disbetween market makers," he parity between the interim and final dividend final dividend payments, Union

The company's offices were professionally revalued at £16.5m against £12.5m last year, so helping to take shareholders' October 14, where they stayed disclosed funds up from £66.41m for the rest of the year. That to £74.69m. Total current assets provided scope for good running to £74.69m. Total current assets are Thion Discount's the company's control of the provided scope for good running to the provided scope for good running. at December 31 were £2.34m (£2.71m).

The FT Government Securities

Discount said it proposed to set index began the year at 82.8 and the next interim at 17p, but ended slightly higher at 83.6, warned against taking this as an but within the year, wide fluctuindication of the full-year payations enabled substantial profits to be made.

profits on Union Discount's

Union Discount said 1980 had been a year of enormous change and activity culminating in Big Bang in October, and it was particularly encouraging in Union Discount Company of such an eventful year that all London has subsequently bears of the company had comp parts of the company had contributed to the success.

Mr Glichrist said he still believed that Union Discount's discount house subsidiary. The five leasing and asset finance five leasing and asset finance come a holding company with Union Discount Company as its decision not to become a companies are wholly-owned market-maker in gilt-edged subsidiaries of the discount securities had been correct.

"We also think that as users See Lex

New clients give boost to Wintrust

By David Goodhart

Wintrust, the specialist merchant bank, yesterday reported a 27 per cent increase in pre-tax profits to £1.8m for the six months to September 30 1986 and a growth in group assets from £117m to £143m.

The "niche" bank, which specialises in lending to wealthy entrepreneurs, says it has benefited from the spread of financial conglomerates which have created a flow of new clients seeking a more flexible and personalised approach.

Mr Richard Szpiro, the mer kichard Szpiro, the managing director, said it had doubled its new clients in the past year and added: "We are actively seeking opportunities for selective acquisition of companies in complementary fields."

Earnings per share for the six months were up 21.5 per cent to 11.51p, and retained profit was £803.834. An interim dividend of 2p per ordinary share is payable on March 31, along with a dividend of 5.25p per 10; per cent cumulative preference share.

Mr Szpiro said that the present low gearing ratios left considerable scope for signicant expansion in banking activity, without in any way undermining the strength of the capital ratios.

Jarvis Porter

Jarvis Porter Group, Leedsbased labelling and flexible packaging group, is making its first acquisition since obtaining

Control with the state of the s

To The Holders Ct MAKITA ELECTRIC WORKS, LTD.

(Kabushiki Kaisha Makita Denki Seisakusho) 4¼% Convertible Debentures Due August 20, 1999

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Indenture dated as of August 30, 1984, between Makita Electric Works, Ltd. (Kabushiki Kaisha Makita Denki Seisakusho) (the "Company") and Chemical Bank, Trustee

that at its meeting held on January 12, 1987, the Board of Directors of the Company resolved to make a free distribution of shares of Common Stock of the Company at the rate of 0.05 shares for each share of Common Stock held by share-

holders of record at 3:00 P.M. on February 20, 1987 (Japan

time) (1:00 A.M. on February 20, 1987, New York City time).

As a result of such free distribution of shares, the conver-sion price of the captioned Debentures will be adjusted,

effective immediately after the foregoing record date to 935.00 Japanese yen per share of Common Stock of the

Company from the former conversion price of 981.80 Japan-

By: Chemical Bank, as Trustee

MAKITA ELECTRIC WORKS, LTD. (Kabushiki Kaisha Makita Denki Selsakusho)

Bank in talks with Larry Adler

BY NICK BUNKER, INSURANCE CORRESPONDENT

MR LARRY ADLER, the Australian financier, met banking supervision officials at the Bank of England yesterday is obtain the Bank's approval difference to his intentions to the Bank of England yesterday is obtain the Bank's approval difference to his intentions to the Bank of England yesterday is obtain the Bank's approval difference to his intentions to the Bank of England yesterday is a long-term Hill Samuel in a UK authorised bank above in a UK author

investors who take significant holdings in British banking institutions. The Bank's aim in such cases is to inform the new shareholder about reporting

However, the Bank is in a

merchant banks more difficult
—was the reason for a plunge in Hill Samuel's share price yesterday. Its shares closed at 460p last night, down 54p.

technical procedure under the Financial Services Act if it wants to take more than 15 per cent of Hill Samuel.

shareholder about reporting and other requirements which it imposes on banks in its role as prudential supervisor.

No details were made public of Mr Adler's meeting with officials.

However, the Bank is in a supervisor and in the share price of 4650.

Mr Adler said earlier this section 134 of the Act says that investors have to ask the last year when the share price of the investors have to ask the last year when the share price of the Act says when insurer.
One of Hill Samuel's subsi-

However, the Bank is in a at an average price of 465p. One of Hill Samuel's subsislightly unusual position regarding Mr Adler as the Government announced on Tuesday the new amendment to the Bill, company.

Pentland takes stake in Gallini

Pentland Industries, the indus-over is trial holding company which plies me holds a 37 per cent stake in retailers Reebok International, the US houses. Reebok international, the os athletic footwear and clothing Mr Bernard Klug, Gallini mercial manufacturer, has purchased a chairman, confirmed Mr Rubin's added. 25 per cent holding in Gallini view of the news. "We are Gallini with or warden with or warden and the company with or warden and the company with or warden." Group, an unlisted leisurewear

Mr Stephen Rubin, managing director, said Pentland did not intend a takeover of Gallini. "We have taken a strong stake with a view to seeing it floated on the USM in a few years'

time." a full stock market listing in March 1986. It is buying Spreckley & Evans (Nottm.), a strung ticket maker, from Sonoco UK, for £1.2m cash.

The London-based company was started seven years ago by Mr Raymond Turner, a former director of Tesco's Home and Wear division. Its current turn-

over is about £10m, and it supplies most major high street could on our own."

This is more than just a

in a growth industry. With his group, and to start manufactur-backing, advice and guidance, ing sports shoes.

PRUDENTIAL Property Ser-

vices has expanded its estate agency activities into the

GORING KERR'S US subsidiary

IMRY PROPERTY: the offer nade on behalf of Imry Inter-

national to acquire Imry Pro-

(£102,000) cash.

cash boost; there will be com-mercial benefits as well," he

Gallini plans to do business

BOARD MEETINGS

Interims:—Aerospace Engineering, Mid Wynd International Investment Trust, Personal Computers. Finals:—Aeronaon Brothers, Goods Durrant and Murray.	Dom Heldings Lee International Manganese Bronze Ransom (William) Sigmex International	Feb 12 Feb 24 Feb 11 Feb 12 Feb 18
FUTURE DATES Interimation Automagic Holdings	Australian Agricultural	Mar 16 Mar 3 Apr 8 Mar 12 Feb 10

Nottingham Brick shares rise on bid talks

By David Thomas

Nottingham Brick is in talks which could lead to a recommended offer for the company. Its shares rose 40p yesterday to close at 365p.

The company, which reported pre-tax profits of \$2.71m on turnover of £11.7m for the year ended September 30, said it expected to make

a statement soon.
Talks between Nottingham
and Steetley, the Midlands
construction group, about the
possibility of a merger were
called off in December,
when Nottingham's shares
increased rapidly in value.
At the time, Nottingham's
boord said the company's board said the company's interests were best served by it remaining independent.

Steetley said yesterday it was not involved in the present talks.

Unconfirmed market specu-lation centred on reports that Notingham was in talks with Borland, Australia's largest construction materials group, but Nottingham refused to

comment on this.
Nottingham is a producer
of high-quality facing bricks,
in vogue with post-modernist
architects, and was generally regarded as a tempting target for other companies when the Steetley talks were broken

announcing last When year's results, the company said it was confident of a much improved performance

H & W agrees higher offer

Intermediate Securities, a

Intermediate Securities, a Cayman Islands investment company, has won the recommendation of Howard & Wyndham for an increased offer for the publishing and retail jewellers group.

It will pay 18p for the 58-37 per cent of H&V' which is not owned by Intermediate or Mr Ralph Fields, the target company's chairman and managing director, who is acting in concert with Mr Abraham Gold of Intermediate. The new offer, increased from 18p, values H&W at £3.28m.

Fiduciary Management Ser-

Fiduciary Management Services, also Cayman-based, has accepted the hid on behalf of its 26.22 per cent stake, H&W shares added 2p

Heywood Williams Heywood Williams Group, less and aluminium specialist. has acquired Tempered Glass Specialists of Autwerp. Ohio, for \$5.5m (£3.5m) cash.

TSG, a toughened glass pro-cessing company, had pre-tax profits of about \$1m in 1988. It will become a subsidiary of Heywood Williams' US operation, Crestion Windows, maker and distributor of recreational vehicle doors and windows. Creation buys in excess of \$10m worth of toughened glass a year, including purchases from THG worth about \$4m.

The consideration includes \$1.8m for goodwill, and excludes the assumption of any liabilities.

COMPANY NEWS IN BRIEF

(0.06p) per share.

capital).

per cent to 7.4 per cent.

Baker Perkins receives bid approach from Maxwell's Hollis

£147m merger with APV, announced yesterday that it had

On Monday, a spokesman for Mr Maxwell confirmed that Hollis, an engineering group controlled by Pergamon Press, 5 per cent in Baker. Hollis's approac

Hollis's approach came shortly after Baker's announcement on January 8 that it was in talks about a possible merger with an unnamed party. According to Baker Perkins, Hollis at fact acked whether it might be

Takeover Panel rules require that information revealed to one received an approach from Mr bidder should be disclosed to Robert Maxwell's Hollis group. other potential purchasers on

Nothing further was heard from either Hollis or Hill Samuel until news of the Hollis had bought a stake of just under stake appeared in the press. Following discussions with the Takeover Panel, Morgan Grenfell decided to reveal news of Hollis' earlier approach. Hollis was a small publicly-

quoted timber merchant and furniture manufacturer until it

Baker Perkins, the Peter- Morgan Grenfell, Baker Perkins' the focus of his moves in the borough-based engineering merchant bank, to ask for inengineering an agreed formation about the company. Mr Maxwell has intervened three times in engineering bids

in recent months. In November, he announced an agreed bid for AE, then attempting to fight off an approach from Turner & Newall. Although Turner eventually won that contest, Mr Maxwell was more successful in January when Hollis won control of Grosvenor Group, despits a rival bid from BBA.

A spokesman for Mr Maxwell said last night that "we do not wish to comment until we see

the APV offer document." interested in a bid but Baker was rescued by Pergamon in was unenthusiastic.

By January 16, Baker Perkins and APV had announced merger terms and Hill Samuel, Hollis' merchant bank, approached interests and has recently been interests. The APV oner document."

Companies usually have up to 28 days after the announcement of a takeover bid in which to publish their offer document, which would give APV until February 13.

Allebone in

£11m Ward

White deal

Allebone and Sons, foot-wear retailer, is to more than

double its retailing capacity with the agreed purchase of 161 Focus Shoes outlets from Ward White, the retail group, for film in cash. The deal also includes the Focus head

office and warehouse complex at Syston, Leicestershire.

It plans to finance the acquisition with a £10m rights issue, underwritten by ANZ Bank, and in cash.

Allebone currently ewns 101 shoe retail outlets in Scotland and Northern Ireland through its Tandem Shoes subsidiary.

The purchase of the Focus outlets in England and Wales will turn it from a regional to

a national retailer, shrink its overheads, and take its turn-over from £17m to £50m, said Mr John Tibrook, Allebone's

Allebone has been able to

select only profit-making Focus outlets. The remaining

189 shops and concessions will be sold separately by Ward be sold separately by Ward White for about £6m.

The company swung back to £156,000 profit after a better second half in the year to January 21, 1986. Its loss-

making Northampton manu-facturing division was closed down in October with 240

Mr Tilbrook said Allehone

had until now owned too few profitable outlets to cover the central overhead costs of operating a multiple footwear retailing business at an

acceptable level of profit-

"This acquisition has solved that problem at a stroke," he

Both chains of shops

H CRO

. . .

ability.

chief executive.

By Janice Warman

BA confident offer will be oversubscribed

British Airways' advisers are quietly confident that the airline's £900m offer for sale will be well oversubscribed when it

closes at 10 am tomorrow. Meanwhile, Cleveland Securities, the licensed dealer which is making a grey (unofficial) market in British Airways' shares in advance of Stock Exchange dealings, was quoting a buy-sell price of 82p/86p for the 65p parily-paid stock stock—ip up on the day.

Some 65 per cent of the shares have been allocated to institutional and overseas investors, so only 35 per cent of the issue remains to be sold in the UK public offering.

If this portion is subscribed three times or more, about 20 per cent of the other investors' shares will be clawed back. Hill Samuel, the merchant bank sponsoring the flotation, said yesterday that it was confident that clawback would be triggered.

No figures are being published about the number of applications received, but Hill Samuel said institutional, overseas and retail investors were expressing a strong interest in the flotation.



Lord King, chairman of British

far fewer than the 7m who applied for British Gas and the 5m who applied for TSB, but Hill Samuel says it compares favourably with the number of private shareholders in other similar-sized companies.

Favourable press comment Wednesday afternoon, because about the flotation is thought investors would not know likely to take the number of whether they had been allocated private investors applying to shares until the letters of allot something over 500,000. That is ment went out five days later.

London Securities deal gives 9% Cambium stake

property and investment man-agement company, is to take a 6 executive and, since last year, per cent stake in Cambhan a director of Cambhan and chief

Cambium is to issue 1.830,532 Cambium, which began shares to acquire Introstone, a trading in March 1984, has not London Securities subsidiary yet shown a profit, reporting a which had lent money to three pre-tax loss of £48,544 in the companies in which the venture first half of 1988. Its shares

were unchanged at 13p.

operator, is continuing as growth policy in the latter field via the purchase of the Church Farm Close residential estate for £460,000. The estate struated at Dibden, Hampshire, will add some 100 homes to Davis's Park Romes subsidiary which will now control over 3,500 homes at 25 residential parks.

per cent stake in Cambium a director of Cambium, said Venture Capital by converting that his company had long £229,000 in outstanding loans wanted to gain an equity hold-into equity.

capital group has equity stakes.

operate in the same sector of the retail footwear market, offering similar merchandise at similar prices. Mr Philip Birch, chairman

said poor summers and long winters allied with stiffer com-petition from Marks and Spencer and British Home Stores had resulted in losses for Focus. "It wasn't looking good," he admitted.

and chief executive of the nor-mally acquisitive Ward White,

But UK shoe retailing had become a relatively small part of the company's business since Ward White's expansion into higher growth

Aflebone's rights issue of 21.8m new ordinary shares — at a price of 50p per share — will be on the basis of nine win se on the basis of mine new ordinary shares for every four ordinary shares currently held and 15 new ordinary shares for every four 3.75 per cent convertible cumulative redeemable preference shares currently held.

The company's issued share capital will rise from £2.18m to £4.36m. Allebone's shares remained suspended at 59p.

Dated: February 5, 1987

R

ese yen per share.

LF. ROTHSCHILD, UNTERBERG, TOWBIN INTERNATIONAL

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Bond Trading 227 4120 (fax: 227 4199) Bond Sales 227 4160 (fax: 227 4199) Bond Settlements 227 4260 (fax: 227 4289)

Intl. Equity Trading 227 4109 (fax: 227 4119) U.S. Equity Sales 227 4200 (fax: 227 4229) Equity Settlements 227 4250

(fax: 227 4289)

SOUTHAMPTON IOW Steam perty in order to effect the Packet: Alexander Towing has sold 333,000 shares reducing its stake from 10.16 per cent to accepted by holders of 11.07m shares (80.91 per cent). Further shares (80.91 per cent). Further acceptances of the offer, which have not yet been validated, have been received in respect of agency activities into the 1.25m (9.17 per cent). The Channel Islands with the acquisition of The Property Shop, note alternative have been jersey for an undisclosed cash extended until February 17.

STOCKHOLDERS FAR EAST Investments is considering restructuring the company as restructuring the company as an open-ended investment commicro-processor based metal detector system. The system and redeem shares at a price will be sold worldwide in the aggregate, coal, mineral ore and timber industries. Total considerations are company as an open-ended investment company as a company and a company as a com timber industries. Total con-sideration was \$155,000 owns the ordinary shares of

owns the ordinary shares of Bradbury Wilkinson, has agreed with the security printing company that it should offer to acquire the 87,500 preference shares—half the total—that it does not already own. It will offer 130p in cash for each preference share, making a total acquisition cost of £113,750. The acquisition is to be achieved via a scheme of arrangement under a scheme of arrangement under which the fixed dividend on the preference will be paid to the date on which the scheme becomes effective.

JAMES FINLAY has acquired 750,100 shares in Anglo-American Agriculture, representing 6.64 per cent of the equity.

WARNER ESTATE Holdings (property investor): Turnover £11.02m (£10.44m) and pre-tax profits £3.89m (£3.47m) for year to September 30 1986. Earnings per 25p share 26.5p (22.29p). Final dividend 15p, making 22.5p (18p) net. Net asset value per share at year. asset value per share at year-end 1,127p (932p). LOCAL London Group-Of the

open offer of 1.5m new ordinary shares to shareholders on the basis of 15 for 49 at 280p, the rights to 577,756 (38.5 per cent) shares have been taken up. INISH WIRE PRODUCTS

(fastening manufacturer): No Ordinary or Preference dividend for year ended March 31 1986. Turnover 152.46m (152.6m). Interest payable £67,853 (£96,136) and loss WELSH Industrial Trust-No before tax £188,187 (£106,678). interim dividend (nil), for the No tax charge. Loss per share six months ended October 5 28.87p (16.16p). Subject to

DIVIDENDS ANNOUNCED

Date Corres- Total Total of ponding for payment payment div year Union Discount 29 Victor Products ...int. 1.75 - 26 April 8 1.75 Mar 31 1.8 40 37 Wintrustint. 2 Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

1986. Net asset value 191p court approval, agreement to operator, is continuing its (169p as at July 4 1986). After the capital reconstruction growth policy in the latter tax of £9,113 (£3,192) earnings were £22,314 (£2,825) or 1.5p obtained prior to March 31 Church Farm Close residential

GKN has sold its subsidiary, GKN Birwelco of Halesowen, PROPERTY TRUST: Harvard Securities has reduced its post rights issue holding from 8.27 West Midlands, along with related interests in Jersey, Germany and GKN Irwelco of Texas to Monteny Group of North America, GKN said the ADAM LEISURE'S annual meeting agreed a share purchase between Mr R. Dipre and Mr C. A. Rycroft relating to the purchase by Mr Dipre of 18.3m ordinary shares (73.2 per cent of Adam's existing ordinary capital) sale proceeds and profit on sales were not significant.

CHESSMINSTER GROUP said new private placements have been arranged with four places for the sale of a total of 5.95m common shares at a price of 20p per share. Total proceeds will be £1.2m, and will be applied in part to the cost of the con-struction of the company's cement-bonded particle board plant at Ystrad Mynach in South Wales, and partly for general corporate purposes.

GODFREY DAVIS. Ford main

dealer and park home estate

DPCE US expansion DPCE Holdings is acquiring the eastern seaboard customer base of Global-Ultimac Systems for \$1.05m cash (£692,000).

Global supplies and supports IBM compatible processors and peripherals. DPCE is taking over maintenance contracts and cessary computer equipment for customers between Massa-chusetts and Washington DC. The maintenance contracts are generating \$160,000 per month. At the end of last year DPCE announced the taking over of Systec, another US independent computer maintenance company.

> LG. INDEX FT for February 1,470-1,476 (+13) Tol: 01-528 5699

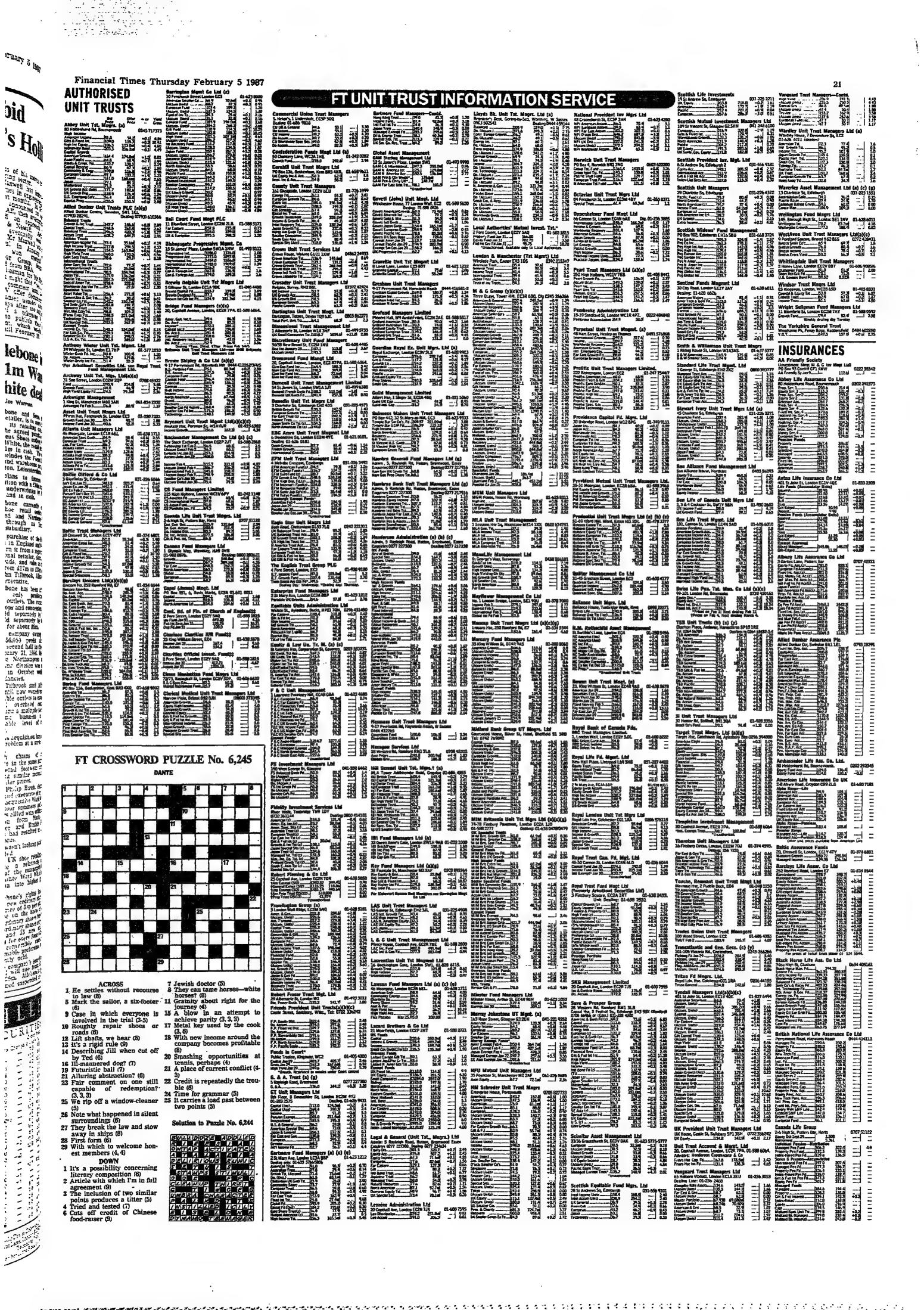
YEARLING BONDS—The interest rate for this week's issue of local authority bonds is 10% per cent, unchanged from last week, and compares with 13 per cent a year ago. The bonds are issued at par and are redeemable on February 10 1988.

SPONSORED SECURITIES Company 70.D 100 89 James Burrough Spc Pf. 90 1035 342 Multihouse NV (AmetSE) 580 100 83 Record Ridgway Ordinary 351 100 83 Record Ridgway 10pc Pf. 83 30 Scruttons 50 67 Torday and Carliele 144 321 Treview and Carmers 321 321 Treview Holdings (SE) 80 65 Weiter Alexander 121 5.0 4.1 11.8 190 W. S. Yeares.

Granville & Co. Limited 8 Lovat Lane, London EC3R 8BP Telephone 01-621 1212 Member of FIMBRA

Granville Davies Coleman Limited 27 Lovet Lane, London EC3R 8DT Telephone 01-621 1212

West Yorks, Ind. Hosp. (USM) 98



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OR. DIGE JUICE 15,000 fb. cents/fb

PLATINUM 50 tray az, \$/tray oz

563,5

EEC seeks fresh powers to fight dairy surpluses

DETAILED PLANS to suspend the system of guaranteed price support for EEC butter, under certain circumstances, have sion should be given the disbeen agreed by the European cretion to suspend intervention Commission. If approved by purchases of these products—the Community's Farm Mini-provided that officials spelt out the Community's Farm Mini- provided that officials spelt out sters, they will give the Com- their criteria. This somewhat mission powers to vary the vague commitment came on top guaranteed "buying in" price of the firm decision by Ministers of butter and at times replace to suspend intervention of intervention purchases of skimmed milk powder during butter and skimmed milk the winter mouths, ie between powder with a tendering pro-

The new ideas, which Mr Frans Andriessen, the Agricul-ture Commissioner, will put to the forthcoming EEC Agricul-ture Council in Brussels on Monday, will praye a major test Monday, will prove a major test of Farm Ministers' resolve to keep up the battle against Europe's vast food surpluses. The dairy sector is among the most expensive administered in Brussels with stocks of butter and skimmed milk powder at the last count of around 1.34m tonnes and 1m

The Commission's suggestion set out in a regulation which was approved this week — is that special measures could be taken when stocks of butter in Community stores exceed 200,000 tonnes. In this case tougher quality standards would apply and "a buying-in price varying in accordance with the seasonal trend of production may be introduced."

Intervention, however, would only be suspended when prices reached a certain level, based on a reference yardstick yet to

The latest proposals follow be agreed. The regulation says the Farm Council's agreement that "when prices recorded on in December that the Commis- reference markets, to be determined, exceed 90 per cent of the state, buying in of butter by that member state's intervention agency may be suspended." In this case intervention purchases could continue "by means of a standing tendering procedure using tender specifications to be determined " while "other action may be taken to maintain market stability." Exactly the same procedures would be adopted where the "Community average of prices" rose above 90 per cent of the buying in price and similar rules have been drawn up for skimmed

> Significantly, Farm Ministers promised in their December declaration that special account would be taken of the Irish dependence on butter interven-tion; moreover, a promised speeding up of payments by

Denmark plans fertiliser cuts

THE DANISH Government has the Folketing will approve the The Government estimates put forward a DKr 12bn plan that has now been protect that this target, to be achieved (£1.15bn) programme for drastic duced, but a new report from over three years, will require a

Folketing majority to produce the plan after several cases in the autumn in which quantities of dead fish were found in suffering from

It is still uncertain whether a year,

ducers are scouring Europe and

the Far East for new markets as part of their response to December's imposition of a controversial 15 per cent tax on exports to their biggest outlets

Wider acceptance of timber frame housing in Britain, hopes of more flexible Japanese build-ing standards and competitive

exchange rates are among the

factors which encourage some Western Canadian mills to

believe that the tax may not-

as hard a blow as they initially

seas markets and retain as much as possible of the US mar-ket," says Mr Lee Luckhurst,

vice-president for marketing at Lignum sales of Vancouver.

Lignum's mill in the interior of

British Columbia produces a

high proportion of construction-

grade fir, spruce and pine, the

types which are expected to be hit hardest by the new tax.

imposed the levy in an effort to

end a long-running trade dispute

with Washington on softwood lumber exports to the US. The

alternative was a stiff US countervailing duty. Some sec-tions of the Canadian lumber

industry have strongly criticised

Ottawa, however, for agreeing to the tax without putting up

The dispute stems from

allegations by American lumber

producers that their Canadian

competitors are subsidised by low provincial governments'

"stumpage" or woodcutting fees. Helped by a declining Canadian dollar and better pro-

more of a fight.

The Canadian Government

"We're trying to expand over-

at least in the short term-

reductions over the next three the state environmental agency, years of nitrogenous and which concludes that pollution phosphoric wastes from industry, households and agriculture less serious than previously into coastal waters. The minority Government was ment to win the parliament's ordered last November by a approval.

Agriculture is being asked to haive its share of nitrogen pollution by 127,000 tonnes a year from an estimated 260,000 tonnes and its phosphoric wastes by 91 per cent or 4,000 tonnes

pulp prices are likely to rise by between US\$25 and

\$35 a tonne in North America on April 1 from the present

on April 1 from the present \$550 a tonne, effective from January 1, senior industry executives forecast privately at the Canadian Pulp and Paper Association Conven-tion, writes Robert Gibbens

Prices may rise more than this in Europe, they said, because of currency factors.

Last year northern bleached kraft softwood pulp went up in quarterly steps of around \$25 after a long depression that had lasted since 1982.

been able to raise prices, thanks

ment of inventories depleted during a four month-long strike by British Columbia loggers

Canadian lumber, which is easier to work than US southern

pine and is supplied in a greater

But there is widespread concern that the market will

turn downwards later this year.

Mr Jaak Puusepp, forest products analyst at the securities firm Pemberton Houston Willoughby, in Van-

couver, forecasts that a drop in North American housing starts

will push lumber prices down later this year to 1985 levels of

around US\$153 per 1,000 board feet, compared with an average of US\$186 last year.

The Punsepp predicts that Canadian lumber shipments to

the US will fall by 7 per cent this year to around 13bn board

assortment of cuts and sizes.

Many US buyers

NORTHERN

in Montreal.

last year.

Bernard Simon examines the outlook for Canadian producers

Buoyant lumber prices cushion levy blow

been able to raise prices, thanks the tax as "unambiguously to the continuing high level of negative." He says the price housing starts and replenishment of inventories depicted duced spending on mill during a four month-long strike modernisation and significant

reduction of about a quarter in the present use of artificial fertilisers, currently about 400,000 tonnes a year. Fertiliser use planning, more

efficient utilisation of liquid manures and winter planting are other measures by which agricultural pollution is to be Minister of Agriculture Britta Schall Holberg said farmers will receive compensation for the extra cost of sowing winter

and low stocks are now fuel-ling further increases.

However, industry executives were doubtful whether

the market would stand another increase on June 1,

although they predicted a general newsprint increase in

The CPPA forecasts world

The CPPA forecasts world demand for paper and paper-board will rise an average 2 to 3 per cent annually through to 1995. Canadian industry shipments will rise from 26m tournes in 1987 to more than 30m tournes, it predicted.

When markets do weaken.

the most vulnerable producers

are the interior mills which specialise in relatively young,

low-value timber, suitable mainly for basic construction-type "two-by-fours."

Besides trying to find new offshore markets, Lignum is paying more attention to product presentation and service. It has switched to brighter temping material and

brighter wrapping material, and to more efficient loading and

The British Columbian coastal

producers already have sizeable markets in Japan and Europe.

In addition, the higher quality of their timber gives greater scope for specialised finished products, such as siding material, wall panelling, and

door and window frames. Their cedar products, in particular, are in short supply elsewhere. Mr William St John, vice

packaging methods.

to study commodity co-operation

Producers

By Wong Sulong in Kush Lumpus

CO-OPERATION IN commodity production and marketing is expected to feature prominently in talks between Indonesia's President Suharto and Dr Maha thir Mohamad, the Malaysian Prime Minister, when they meet in the South Malaysian city of Johore Baru today.

Johore Baru today.

The two Asean countries, are both major producers of rubber, paim oil, tin, timber and pepper, as well as important exporters of crude oil and natural gas. Both have suffered covered from declining comseverely from declining com-modity prices and have been on austere budgets for the pas

three years. Indonesian diplomats President Suharto is anxious to reassure Malaysia that while Indonesia has embarked on a
major palm oil planting programme, much of the increased
output would be consumed by
its growing population of 165m

people.

Of late, Indonesia has made inroads into Malaysia's palm oil inroads into Malaysia's paim oil markets in India and Pakistan, prompting Malaysia to extend to its paim oil and rubber exporters similar export and credit financing facilities to those given to Indonesian exporters. Indonesia is wary of Maranai page 1 p

laysia's past attempts to mani-pulate price through various market operations—the most famous being Malaysia's support for the mysterious tin buying operation on the London Metal Exchange during 1981-82—as well as Malaysia's aggressive approach towards International Commodity Agreements.

Jakarta agrees with

Lumpur's contention that pro-ducers should not over-produce and should co-ordinate their marketing strategies so as not to allow consumers play one producer against another,

comes, demand for items used for renovation and remodelling

Macmillan Bloedel already

ships about a third of its lumber overseas. But Mr St John says that interior pro-ducers' hopes of a further significant shift to offshore

markets are unrealistic, considering stiff competition for

and rigid Japanese specifica-tions for more sophisticated

such as Macmillan Bloadel British Columbia Forest Pro-

ducts and Crown Forest Industries, are also fortunate that lumber makes up only

between a quarter and a third of their total sales.

Other parts of their business

notably pulp, newsprint and

other papers, are booming. The Canadian Pulp and Paper Asso-

ciation forecast in late January

One concern is that Canadian

provinces will succeed in a bid to replace the Federal export tax with higher provincially-

regulated stumpage fees. While

the tax applies only to lumber, an increase in stumpage fees

would raise the cost of felling

all trees, whether for lumber

For the time being, however,

thriving pulp and paper opera-

tions are enabling the diversi-field groups to shrug off loom-ing problems on the humber

Macmillan Bloedel is ex-

pected to report spectacular financial results for 1986 at the

pulp or paper.

president for marketing at pany's share price has more Macmillan Bloedel, says that than doubled on the Toronto

" most of our efforts are to get stock exchange in the past year. away from producing com- as analysts have turged in-modity-type products." He vestors to buy shares in the

per cent to 24.3m tonnes.

Leading coastal producers,

construction-grade

will remain relatively firm.

LONDON MARKETS

TRADING ON the London coffee futures market continued in its recent nervous vein yesterday. Prices drifted early on as dealers reacted to Tuesday night's news that the International Coffee Organisation's Executive Board had deferred discussion of the

reintroduction of export quotas until February 23. But values were boosted later by a brief burst of shortcovering which followed news that Brazil had closed registrations for February/March exports. Later still the market resumed its easier trend as dealers were reminded of the fact that Brazil was expected to open April export registra-tions soon. The May position closed at £1,598.50 a tonne, down £19 on the day but £13.50 above the early low. On the London Metal Exchange zinc prices built on Tuesday's modest mily during the morning but fell back in the afternoon on dollar-based selling. LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM 2

	Unoffici close (p.) £ per	n.) — tonne	High/Low
Cash 5 months	801-3 808.5-9	-12.5 -6.75	799 814/804
Official (B12.5-3), 1.5), sett closs: 907	three ment 75	ionths 806 19 (813),	Final Karb

COPPER

Cash 878 5 months 901	.6-8.5 + 1	5 878
5 months 901	-1.5 + 1	.5 878 902.5/900
Official closing (875-5.5), three 8.5), settlement Kerb close: 901-2	months 878.5 (1	Cash 878-8.5 900.5-1 (898- 176.8). Finsi

Standard Cash a months	891-5 891-5	+1 +1	11
Official old (855-6), three settlement 85	e months	881-2	esh 858- (878-80) Produce

LEAD

Furnover: 14.275 tonnes

	Unofficial + or close (p.m.) - £ per tonne	High/Low
NIT YOUTH	299-300 +8 299,5300 + 3	989.52/97,5 300/298
7-7.5).	closing (sm): Cee three months 299- demant 297-25 (297	5-500 (296-

	Unoffic gloss £.pe	olai + or (p.m.) — r tonne	High/Low	
Cash 5 months	9351-6 9401-5	19,5	9510/1576 9420/2481	٠.
Officiel (2,365-85), 2), astrient close: 2,40	three mant 2,38	onths 2,41 0 (2,365),	eh 2,370-80 18#3 (2,401- Finel Kerb 84 tonnes.	

High grade	Unofficial + or close (p.m.) - 2 per tohne	High/Low
eath months	479-80 +5 475-5,5 +3	483/481 479/474
(477-7.5), 3.5), settle Hose: 476-	closing (am): Ces three months 476. ment 483 (477.5). I 6.5. Turnover: 8,00 Western: 40-44	5-7 (478- Final Kerb IS tonnes.

that mills will operate at 98 per cent of capacity this year, with shipments climbing by 5

KUALA LLIMPUR TIN MARKET—Close 17.14 (17.16) ringgit s kg. Down 0.02.

Gold rose \$3°2 to \$40°2-40°5 on the London buillon market yesterday. It opened at \$402-402°2 and was fixed at \$401.75 in the morning and \$402.80 in the afternoon, The metal touched a low of \$401-401°2 and a peak of \$404-405°2. Gold's movements were described as erratic, and not closely tied to fluctuations in the dollar, Deslers noted that there were a recovery overnight in New

GOLD BULLION (fine ounce) Feb. 4

Am Eagle. \$41714-4321g (£974 14-3771a Mapleleaf \$41614-421 (£273-876) (£9761-25772) 12 krug... \$206-811 (£2551-25772) 14 krug... \$104-109 (£2551-25772) 178 Angel... \$414-417 (£273-6714) 178 Angel \$41-46 (£273-6714) 178 Angel \$406-630 (£273-6714) 178 Angel \$406-630 (£255-5514) 178 Angel \$406-630 (£255-35514) 178 Angel \$406-630 (£2556-35514) 178 Angel \$406-630 (£2556-35514) 178 Angel \$406-630 (£2556-35514) 178 Angel \$406-630 (£2556-35514) 178 Angel \$406-630 (£2566-350 (£2566

Silver was fixed 2.4p an ounce higher for spot delivery in the London buillon market yesterday at 361.15p. US cent equivalents of the fixing levels were: Spot 650.25c, up 1.75c; three-month 568.55c, up 1.90c; six-month 567.1c, up 1.8c; and 12-month 563.9c, up 2.8c. The metal opened at 3612_363p (55125c), and closed at 3612_363p (551653c).

Per ber cy oz	Bullion Fixing Price	+01	L.M.E. p.m. Unoffic'i	+
onths.	361,15p 370,75p 377,85p 399,95p	+2.55 -0.05	371.0p	+
hree m	onthe hig	h 371	.0. low 37	Ό.

LME-Turnover: 4 (nil) lots of 10,000

head sailing remained, reports Mulipace,

US MARKETS INDICES IN TRADING dominated by

REUTERS Feb. 4 |Feb. 5 |M'th ago:Yearage 1609,7 1636,7 1631,4 1864.0]

DOW JONES

Dow Feb.	Feb.	M'th ago	Year
Spot 115.42 Fut 117.12	115,13 116,74	=	187.9 125.0
(Base: Decer	nber 31	1931 -	100) ¯

	Feb. 4 1987	+ or	Month
METALS			
Aluminium	\$1805/825	-	
Free Market	- jä sanblätt	1—20	Stanolessi
Copper Cash Grade A	2879	1-1.5	£916,25
3 mths		110	£939.75
Gold Troy oz	. 8404,75		8399,25
Lead Cash	. 2993,5	+5.0	£886
3 mths	£299.75	+3.0	\$306.15
Nickel Free Mkt	184/184c	ı	165/188
Palladium oz	\$123.5D	مَهُ مُثَا	160/189c \$118,25
Piatinum oz	\$521,50	(上包 明	547A 75
Quicksliver	. \$165/175		\$150/160
Silver troy oz	361.15p) + ×.44	1303.03D
_ 3 mths	570,75p	(+×.66	373.10p
free Mkt	24468/49	_90	£4820/530
Tungsten	844.5I		842.10
Wolfram 22.0lb.	. 837/45		532/42
Zino	., £479,3 .,£475,25	1+3.0	£553,5 £535,5
producers.	8770/790	+0.0	\$870
OILS	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	144,241111	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Coconut (Phill) Paim Malayan	18465x 18390v	+15	8410 8307.5
Copra (Phil) Soyabean (U.S.)	3295 9144	1+0	\$260 \$142
	INTT	Ma Miles	19174
GRAINS			

NEW YORK

OTHERS			
Gas Oll Mar. Rubber (klic) Sugar (raw)	\$1347.5 £1698.5 66.35c \$150.50 66p \$191.50y 418p kilo	-19,6 -3,75 +12,6	£1645,5 64,95c 8153,75 64,25p \$145
‡ Unquoted. † s pound. * Cot y Peb-Merch.	Per 75-1b tan aution v April.	flosk.	c Cente lan-Feb.

ı	COFFEE
	The mornings activity was doll with mixed commission house business. By
	mir afternoon arbitrage interest injected more volume into the merket with the
	day closing £21 lower on the day, reports Drexal Burnham Lambert.

PO(10) - P10			THE PARTY OF
COFFEE	Yesterday close	+ or	Business Done
opt	1581-1844 1598-1586 1621-1624 1640-1845 1670-1875 1690-1710 1700-1740	-19.0 -20.5 -25.0	1897-1870 1616-1686 1636-1610 1668-1640 1690-1670
Sales: 2.8	48 (2,773)	lots of	6 tonnes.

	Futures were held in a narrow range
	throughout the day finally closing un-
	changed on the nears sithough some 25
	easier on the forward positions with
•	producers withdrawn and only light
,	consumer interest. The tone on the
'	physical market was equally aubdued,
	reports Gill and Duffus.

physics; market was equally subdued, reports, Gill and Duffus.				
COCOA	Yesterday's close 2 per tonne	+ or	Basiness done	200
Sept	1817-1818 1847-1848 1877-1876 1404-1405 1429-1430 1456-1469 1476-1479	-5.0 -7.0 -11.0 -7.0	1410-1599 1451-1425 1460-1455	104. 548
(CCO Ind pound). (1 1,829.36 (1	62 (4,584) lo leater prices beily price 1,524,32); fin y 4; 1,539,70	(US of	ents per cuery 3: everage	320076

GRAINS

and the state of the sea March
presed new contract highe on Merch
while deferred positions attracted long-
term selling speculation, with new
crops firming in the meming before
ettracting country bedge selling plus
volume wheat/berley switch trade, re-
ports T. G. Roddick.
bolgs i' a' vegaler

WHEAT		BAR	LEY	Auguel	
th	Yest'rdy'i close	+ 07	Yest'rdy's close	+ or	Oct Dec
y y y	101,00 103,10 106,05	+0.70 +0.20 +0.50 +0.15 +0.18 +0.20 +0.06	100,80 103,10 105,90	+0,16 -0,66 +0,66 +0,66	OIL Merci In a m under p
Institute done—Wiscat: March 178.05- 0, May 118.50-8.20, July 120.75 only,					

Sept 107:00 only, Nov 103:20-3; Only, Sept 107:00 only, Nov 103:20-3; IO, Jen 105:60 only, March 108:50 only. Sales: 550 lots of 100 tonnes. Sarley: March 113:50-3:35, May 115:00 only. Sept 100:30 only, Nov 103:20-3; IO, Jen 105:55 only. Sales: 128 lots of 100 tonnes. HGCA — Locational ex-ferm spot prices: Feed Surfey: Eastern 112.60, E. Midlands 114.50: N. East 114.30. The UK monetary coefficient for the week beginning Monday February 18, is expected to change to 1.328.

Northern Spring No 1, 15 per cent: March 104.25, April/May 100.75. US No 2 Soft Red Winter: Feb 107.75. French 11½-12 per cent: Jan 141.75. English feed, fob: March 121.50-122.00, April/June 123.00-123.50 buyer/sellers. Matze: US No 3 Yellow/French, transhipment East coset, 1st half Feb 143.50. African White unquoted. S. African Yellow unquoted. Sariey: English feed, fob: Feb 118.50 seller. Rest unquoted.

POTATOES

Amid speculation of mid-January stock figures, the PM Bunnouncad a figure of 2.937m tonnes before market opened. Rumours endier in the week implied this this figure may exceed 3m tonnes. This caused immediate buying interest and short covering on market open. With fears over quality and renewed rumours of recent frost demage buyers remained in evidence before profit taking on the close saw values drop back from days highs, reports Coley and Harper.

Yesterday's Pravious Busines Sales: 1,511 (519) lots of 40 tonnes.

RUBBER

PHYSICALS — The London Market opened unchanged, showing little or no Interest throughout the day, closing dull. Reports Lawis and Peat. Closing prices (buyers): Spot 68.00p (same), March 64.25p (same). April 64.25p (same). Kuala Lumpur fob prices (Malayalan cents a kllo): RSS No 1 229 (same) and SMR 209.5 (209.0). FUTURES-Index 665. March 680-890 pril 682-692, April/June 685-695, July prember 695-705, Sales: Nil.

coupled with weaker oil prices prevented any upward moves. Crude oil futures fell as the trade placed new shorts into the market which

locals, the metal futures held

in narrow ranges for most of

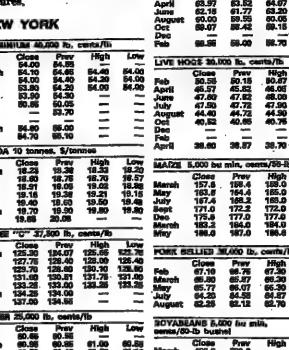
the day, on balance finishing slightly easier in light volume

reports Drexel Burnham

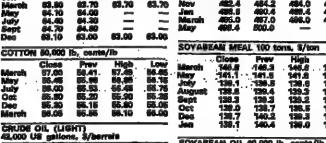
Lambert. Dollar strength

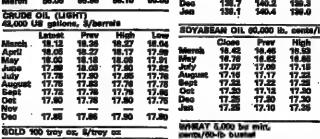
as the supoprt at 1898 basis
April was penetrated touched
off light stops before trade
support and profit taking
emerged around 1800. Commission house buying in sugar futures pushed values higher but good trade and price-fix selling throughout the rally prompted the locals to join in selling and as the market faltered, commission house stops were touched off around 790 basis March. Wheat futures firmed as commercial buying emerged, possibly reflecting export activity, whilst corn futures activity, whilst corn futures eased following early support resulting from firmer cash premiums. Continued South American hedge selling depressed soyahean futures, but the products were lack-

prices led to lower hogs



63.76 SOYABEAN MEAL 100 toris, 8/tor







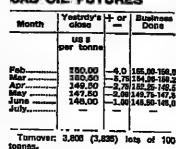
423.5 426.0 433.1

SPOT MICES—Chicago loss 14.60 (14.60) cents per polind, and Narman silver bullion (548.00) cents per troy ounce.

March and April Brent traded actively in a market which fell steadily ell day under pressure from wask products and from unsold February cargoes. March WTI opened 12c down on Nyetk and tesded 27c down at 1.30 pm 65T. The particular products market cumbled to petroleum products market tumbled in line with crude. Fuel oil, gas oil and Naphthe all traded down. Gasoline was marked down with the other products. Petroleum Argus, London.



GAS OIL FUTURES

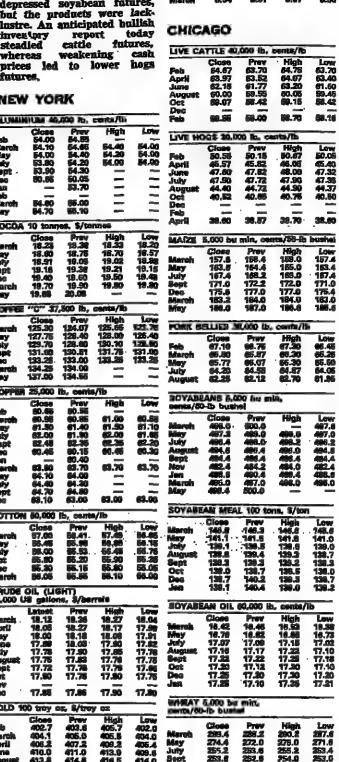


HEAVY FUEL OIL

US \$ 91.00 -2.50 91.00

Turnover: 2 (4) lots of 100 tonnes.

MEAT COMMISSION - Average fetstock prices at representative markets:
GB—Cartle 93.35p per kg tw (+0.85);
GB—5/9ep 181.98p per kg est dcw
(+16.96); GB—Pigs 74.40p per kg tw
(+3.00); GB—AAPP 94.85p per kg dw
(-0.09).



SUGAR

Prices lifted sherply during the mom-ing following the late run-up in New York yestersey. Leter the advance fel-tered as No 11 quotations moved onto the defensive, reports Czernikow.

Fire Classic

No. 6 Con- tract	Y'sterdy's close	Previous close	Business done
	# per	tonne	
Aug Oct Dec Mar	178,0-178,5 178,0 179,8 179,8	178,0-175,6 178,4 178,0-180,0 184 0,185 0	185.2-188.1 186,0-181.1
Sales: 4,627 (2,437) lots of 50 tonner.			

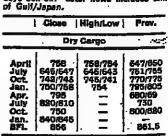
PARIS—(FFr per tonne): March 1288-1288; May 1291-1294; Aug 1328-1330; Oct 1350-1358; Dec 1380-1398; March 1415-1430.

LONDON DAILY PRICE—Raw sugar \$191.50 (2128.00) up \$12.00 (up £7.00) a tonne for February-March delivery. White sugar \$209.00 (\$203.00).

Tate and Lyle delivery price for granulated basic sugar was £231.50 (£244.00) a tonne for export. tone for export.

District Sugar Agreement—(US cants per pound fob and stowed Caribbean ports). Prices for February 2: Daily price -7.44 (7.27): 15-day average 6.90 (6.81).

FREIGHT FUTURES Market showed some recovery on light short covering following previous days sell-off. Leter news includes talk of Guil/Japan.



Uganda coffee cash crisis

Tumover: 117 (---).

THE Uganda Coffee Marketing Board, which provides nearly all Uganda's export revenue, is suffering a cash crisis and at least two banks have stopped honouring its cheques, Renters

Swedish producers feeling the pinch

producers so far. They have of Forest Industries, describes hopes that when the downturn forest products industry.

ever, by only a few per cent. Malaysia and the Philippines standards up to the sophisti-Swedish production in 1986 is have adopted a new list of cated Taiwanger task-

IT WAS the Swedes who suffered most last year from Canadian competition. While estimated at 11m cubic metres the relative weakness of the Canadian dollar made it common sense to buy whatever No great surprises are The Indonesians, in addition, Audit Office report lumber was coming out of east expected from the Russian first have stressed their commitment estry Commission, and west Canada, the strength of the Swedish krona made their material too expensive. In addition, the Swedish pulp and paper industries have been calling out for raw material, per cent currency increase since January 1986, with modest pushing whitewood (spruce) log prices in many cases beyond the sawmillers' reach.

ductivity than their US com-petitors. Canadian mills' share of the US softwood lumber mar-ket rose from 26 per cent in production. Some interior mills

1977 to about 33 per cent last plan to push up output by as your.

The tax has had virtually no impact on Canadian lumber the British Columbia's Council

On the other hand, redwood (pine) production in Sweden has continued to outstrip demand. Parts of the country the seal on the relative stability of the particular, but the of the European softwood en a whole should market for the first half of the mouldings manufacturers, hitting out at spiralling prices belief the particular and strength can also also out on exports, South the seal on the relative stability. The ban stemmed from prescuring the particular, but the forestry commission have totalled only sure from local furniture and mouldings manufacturers, hitting out at spiralling prices belief the particular.

The ban stemmed from prescuring the particular and strength can also described and the particular and strength can be also described and the particular and strength can be also described and the particular will lose out on exports. South industry as a whole should retain a reasonable commercial

Leading producers in both Sweden and Finland have acknowledged the need to cut prothe log through to the end product. Mills have been closing down, reducing capacity, how-

schedules to European to controlling exports to Euro-Forestry and related trade customers this year. In the UK pean markets by issuing only 17 associations have condemned

January 1986, with modest metres for 1986. the report ignored the strong domestic changes in redwood and a 3 to 5 per cent increase in en their industry the Indone-

have adopted a new list of cated Taiwanese techniques.

minimum prices and mills have The main talking point in the with Finland at 7m cubic been adhering to the strict UK forestry industry has been metres.

No great surprises are The Indonesians, in addition, Audit Office report on the For-

the sterling prices, based tradithe sterling prices, based tradiper cent of a pre-determined what they see as the many negationally on the Swedish krona,
quota of 300,000 cubic metres, tive factors in the report and
are expected to reflect the 10 Indonesia estimated world plyper cent currency increase since wood sales at 3.87m cubic front to Government. They say whitewood.

A similar pattern is likely to ramin and white meranti long processing industry in the UK.

Emerge in the Netherlands, and short strips and squares They have also pointed out that subsidies to the Forestry

Stability and strength can also cause of heavy export demand, Ironically perhaps, the Audit be seen in the Far Eastern hard-particularly from the Taiwan-Office may actually have done wood plywood market. Led by ese. It has led to speculation the British forestry sector a the Indonesians, who command three quarters of world sales, producers have adopted an aggressive stance. Manufactures and mouldings for rallying an industry which has for so long been held back aggressive stance. Manufactures may be set up, with has for so long been held back by its own diversity and fragturers associations in Indonesia, struggling to bring production mentation.

and the second of the second o

Prices traded lower throughout few an good commercial selling in

SOYABEAN MEAL

per tonne 139,2-135,9 127,4-128,0 119,0-119,5 Sales: 229 (80) lots of 20 tonnes,

50

32

\$401.25

Feb 87 May 87 Aug 87

250 1

0.10

Feb 87

10

7.10 7.10 8.50

10 50

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

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Pound follows dollar up

THE DOLLAR gained ground in rather uncertain currency trading yesterday. There were reports of commercial demand for the US sterling lost 55 points to \$1.5220 currency, but dealers also suggested a general lack of direction at present Recent US economic data, including last Friday's December trade figures, and leading indicators published Tuesday, have been better than expected, but the longer term prospects for the US are shrouded in doubt. Further guidance may be provided by tomorrow's January unemployment.

with speculation about an early UK general election continuing to provide background nervousness. DM 1.8123 at the Franfurt fixing from DM 1.7935.

JAPANESE VEN. Trading range against the dollar in 1986-87 is 28.70 to 151.30. January average 152.62 Exchange rate index 209.7 against the dollar in Tokyo yesterded, but the longer term prospects for the US are shrouded in doubt. Further guidance may be provided by tomorrow's January unemployment. sandaged in doubt runder gurdance may be provided by tomorrow's January unemployment figures, while today's US Treasury auction of \$9.25hn in 29.3-year bonds is overinanging the market towering pushed the US currency and causing nervousness. Officials from the Group of Savan bogan 2 and causing nervousness. Officials above DM 1.81, but dealers said positions, ahead of today's auction of 25%-year bonds by the US meeting in Florence yesterday, to Tuesday's attempts to push the amid rumours from Tokyo about a dollar lower. They added there possible ministerial meeting coars.

SASES.

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ASSOCIATION OF THE PARTY OF THE

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	-	
£ IN NE	W YORK	
Feb 4	Lotest	Previous Close
1 month 3 months 12 months	1.5205-1.5215 0.60 0.57 pm 1.78-1.74 pm 6.20-6.10 pm	1.5280-1.5290 0.56-0.55 pm 1.73-1.70 pm 6.21-6.11 pm
SAMULES accompany and distances stocks to the		

12 months 6.20-6.16 pm 6.21-6.11 pm Forward prevalums and discounts apply to the U.S. Goltar. STERLING INDEX			
		Feb. 4	Previous:
8.30	6/9	68.4	68.3
9.00	≧ 111	68.4	68.3
10.00	Em	68.4	68.3
21.00	201	68.5	68.3
Noon		68.5	68.4
1.00	pen	68.5	68.4
2 00	pm	68.6	68.3
3.00	1977 /····	65.5	68.3
4.00	, pra	68.5	68.3

Feb. 4	Dank	Special	European
	rano	Ornwing	Correcty
	44	Rights	Upis
Sterling U.S. Dother Canadian S Assirian Sch. Belgian Franc Derisch Franc Derisch Franc Derisch Franc Hebel, Galder Franc Hallan Lica Labansies Yen Spenish Franc Spenish Franc Specish Korna Swedish Korna Swedish Korna Swedish Franc Carest Prace	1584879888 1584879888 1588	0.831731 1.26691 16.1429 47.6006 8.66309 2.29493 2.59624 N/A N/A 191.049 8.66391 162.273 8.22025 1.93682	0.746167 1.13604 1.50980 1A.4913 42.7094 7.79437 2.365099 2.32348 4.87304 1466.43 173.587 7.99126 145.563 7.37517 1.773930

*CS/SDR rate for Feb. 3; N/A		
CURRENCY MOVEMENTS		
February 4	Bank of England index	Mergas Guaranty Changes %
Sterling	68.5 103.5	-25.7 -3.5
U.S. Dollar	78.7	-9.8
Approxima Schilling	139.5	+10.0
Beigian Franc	100.9 94.1	-35 +4.8
Devische Mark	148.8	+22.9

OHER	CURRENCI	
Feb. 3	£	S
Argentina	2.0175-2.0255	1.3280-1.3320
Australia	2.2720-2.2750 25.3390-25.4820	1,4940-1,4950 16,6760-16,7590
Brazil	69095-6.9200	4.5460-4.5500
Greece	200.30-203.60	131-60-133.85
Hong Kong	11.8400-11.8550 111.45-	7.7830-7.7850 72.35*
Korea (Sta) .	1302.95-1314.75	852,83-859,80
Kuwait	0.4200-0.4210	0.27645-0.27665
Lorenbourg Malaysia	56 95-57.05 3.8590-3.8645	37.40-37.50 2.5360-2.5380
N. Zealand	2.7815-2.7890	1.8290-1.8320
Szud Ar	5.6980-5.7035	3.7500-3.7510
Singapore S. Al. (Carl	3 2530-3.2585 3 1425-3 1640	2.1390-2 1410 2.0725-2.0765

OTHER	CURRENCI	ES	
Feb. 3	£	S	
Argentiza Australia Austra	2,0175-2,0255 2,2720-2,2750 25,3340-25,4820 6,995-6,9200 200,30-203,80 11,850 111,85- 1302-95-1314-75 0,4200-0,4210 56,95-57,05 3,8540-3,8645 2,7615-2,7890 5,6980-5,7035 3,2530-3,2585 3,1425-3,1640	1.2390-1.3320 1.4940-1.4950 1.64760-1.6.7960 4.5460-4.5500 131.60-133.85 7.7930-7.650 72.355 832.80-839.80 0.27645-0.27645 37.40-37.50 1.8290-1.8320 3.7500-3.7510 2.1390-2.1410 7.0725-2.0765 4.2550-4.445	
U.A.E.	53.30-53.60 5.5800-5.5855	35,00-35 10 3,6725-3,6735	
 Selling rate 	- Scaled 1909		

1 401 10		
Argentina	2.0175-2.0255	1.3280-1.3320
Australia	2.2720-2.2750	1,4940-1,4950
Brazil	25.3390-25.4820	16.6760-16,7590
Finiand	6.9095-b.9200	4.5460-4.5500
Greece	200.30-203.60	131-60-133.85
Hong Koop	11.8400-11.8550	7.7830-7.7850
1124	111.45*	72,35*
Korea (SUs) .	1302.95-1314.75	852.80-859.80
Kunait	0.4200-0.4210	0.27645-0.27665
PROCESSES	56 95-57.05	37.40-37.50
Malaysia	3.8590-3.8645	2.5360-2.5380
M. Zealang	2.7815-2.7890	1.8290-1 8320
Szudi Ar	5.6980-5.7035	3.7500-3.7510
Shidabous "	9 2530-3.2585	2.1390-2 1410
S. Al. (Can) _	3.1425-3 1640	2.0725-2.0765
5. Af. (Fn)	6.4740-6.7620	4 2550-4,4445
Talwas	53.30-53.60	35,00-35 10
U.A.E	5.5800-5.5855	3.6725-3.6735
" Selling rate		

MONEY MARKETS

UK rates	lower
where cha	nged
INTEREST RATES were slightly easier where changed in the London	maturing assistance and a take up of Treasury hills together draining

INTEREST RATES were slightly easier where changed in the London money market yesterday. The slightly easier trend was partly a reflection of sterling's better of 255m and banks' balances brought forward 290m below target. These were partly offset by Exchequer transactions which added £45m. performance. Three-month inter-bank money was unchanged at 11,2-1012 per cent while the 12-month rate was marginally easier at 1012-10% per cent compared with 10%-10% per cent Short-term rates were a little firmer however, reflecting a shortage of funds supplied by the Bank of England in relation to the Further help was gi afternoon of £66m the published forecast. There appeared

UK clearing bank base lending rate 11 per cent since October 15

to be little reason behind the shortfall and while discount houses managed to square their books without having to pay up too much, the shortage outside the discount market managed to push overnight inter-bank money up to a high of 12 per cent, having opened at 10%-10% per

the Bank of England forecast a lar since intervention by the censhortage of around £300m with factors affecting the market including on domestic liquidity lavaled.

amid rumours from Tokyo about a possible ministerial meeting soon to discuss currency problems.

The dollar rose to DM 1.8150 from DM 1.7975; to FFr 6.0550 from FFr 6.0025; to FFr 1.5320 from SFr 1.5175; and to Y152.75 from Y152.40.

On Bank of England figures the dollar's index rose to 1025 from 103.0.

STERLING—Trading runge against the dollar in 1998.87 is

STERLING—Trading range against the dollar in 1986-87 is 15555 to 1.3700. January average	Frankfurt is also discouraging any but unchanged from the New York strong flow of capital into the D- close. EMS EUROPEAN CURRENCY UNIT RATES							
1.5071. Exchange rate index rose 0.2 to 68.5, compared with 70.7 six months ago. Sterling held on to the dollar's		Ecu central retes	Currency Amounts against Ecu February 4	% change irom central rate	% change adjusted for divergence	Dwergence limit %		
coat tails, gaining ground against Continental currencies, in spite of a fall in North Sea oil prices to below \$18 a barrel. There were no other new factors, and the pound was generally on the sidelines,	Beigum Fram Deatsh Kroos German D-Mark French Fram Dutch Guilder Iroth Fund (Lalian Line	2.05653 6.90403 2.31943 0.774925 1483.58	42.7094 7.79437 2.06009 6.87304 2.32388 0.774925 1466.63	+0.59 -0.74 +0.08 -0.45 +0.19 +0.85 -1.14	+0.59 -0.74 +0.08 -2.25 +0.19 +0.85 -1.10	± 1.5344 ± 1.6464 ± 1.0461 ± 1.3674 ± 1.5012 ± 1.6684 ± 4.0752		
	Changes are for Ecu.	therefore po	situe chance de	motes a weak	Chironey.			

expected economic data. This restricted the upward potential of

the dollar, but the market was equally reluctant to take out short

CHILDI CHE	1403.30	1400-07	-7774	r.
Changes are for Ecu.	therefore pos	ilive change d		

		9	-			
POUND	SPOT-	FORWARE	AGAINST	THE	POUND	

Feb. 4	Day's spread	Close	One month	67 4	Timee months	D-7
US	1.5180-1.5255	1.5220-1.5230	0.57-0.54 c pm	437	1.74-1.69 pm	4.51
Carada	2 0177-2.0280	2.0210-2.0220	0.58-0.48 c pm		1.78-1.63 pm	3.37
"Heth"lands	3.1015-3.12	3,101;-3.111;	13 ₆ -11, c pm	5.06	47 ₆ -4 pm	563
Belgium	57 00-57 28	56.95-57.05	13-8 c pm		43-35 am	2.74
Denmark	10.404-10.46	10.4312-10.4312	"g-3 are dis		1% Pay pm	-0.34
بسبب لجحاجا	1,0331-1,0406	1 0350-1-0360		-3.19	0.65-0.95 dis	3.09
W. Geraupy .	2754-2764	2.754-2.764	14-14 pf on	6.52	45p-43g pag	6.52
Portugal	217.22-213.51	21240-213.50			245-490 65	-6.90
Spain	194,53-195,11	194,55-194,85	20-55 c des	-2.31	70-115 dis	-1.90
taly	1958-19684	19601-196112	2am-1 live dis	-0.33	3om-1 dis	-0.20
Narway	10 451-10.64%	10.454-10.461			90-111 dis	-3.94
France	9.184-9.214	9.2112-9.2212			54 pm	1.95
Sartded	9.864-9.904		5- tore per		14-4 pm	0.43
ianarı	232-233	232-233			4-31, 200	6.67
Aucreia	19,34-19.44	19.40-19.45	918-812 gra am		28%-254 pm	5.61
Switzerland	2 321-2.334	2.324-2.334	light com	7.07	43pd gen	7.29

MARSH ALIAN -	5-5-6-6-6	mine de Crite	2.5.2 4 4 1000	1101	4.5 4 1000	
jelgian rate i pm. 12-mon	i for convertible fr th 6.15-6.65 c pm	nocs. Financial fr	anc 57,90-58.00.	Sol-monuli	forward dollar	3.29-3.24
		M444 -				

Feb. 4	Day's spread	Close	Que stouth	22,	Three months	% pa
UKT	1,5180-1,5255	1.5220-1.5230	0.57-0.54c pro	4.37	1.74-1.69 pm	451
reland?	1,4695-1,4710	1,4680-1,4690	1.10-0.80; 60	7.77	3.00-2.50 pm	7.50
Carrado	1.3248-1.3316	1,3250-1,3250	0.13-0.16c ds	-1.04	0.39-0.44 db	-125
Netberlands .	2.0330-2.0535	2.0420-2.0430	0.13-0.10c pm	86,0	0.48-0.43 pm	0.89
Belgium	37.35-37.70	37.40-37.50	6-8c dis	-2.24	15-19 ds	-1.80
Denmark	6.82-6.88	6.841-6.851	2.15-3.05ere dis	-4.55	6.80-7.70 dk	-4.23
W. Germany .	1.8025-1.8215	18143-18145	0.31-0.28ef pm	1,95	0.97-Q.92 pm	2.09
Portogal	141-1411	1404-14115	125-200c dis	-13.63	325-475 dis	-11.35
Sania	127.50-128.50	127.45-127.75	60-70 c dis	-7.02	188-203 dis	-6.20
12ly	1284-1296	12874-12974	4-5 lire dis	-4.18	131-15 de	-4.42
lorway	6.87-6.991	487-4874	4.30-5.00 are dis		14.50-15.20dis	-8.51
12048	6.014-6.074	4.054-4.054	1.10-1.30: dis	-2.38	3.75-4.15 6	-2.62
weden	6.464-4.504	6.484-6.494	205-255 ore dis	-4.25	6.45-7.05 dis.	-4.36
1014	192 30-153.00	152,70-152,80	0.26-0.234 940	1,93	0.82-0 77 pm	2.06
tertral	12,681-12,80	12.75-12.755	1.50-1.10aru om		4.00-3.00 201	1.10
witterland	1.4230-1.4380	15315-15325	0.36-0.31c pm	565	1.04-0.99 pm	245

EURO-CUF	EURO-CURRENCY INTEREST RATES								
Feb. 4	Short term	7 Days' solice	One Meath	Titree Months	Siv Months	Cine			
Strring U.S. Dellar Can. Dellar D. Guidder Proceedmank Fr. FY806 Tustan Line B. Fr. (Fin.) B. Fr. (Fin.) B. Fr. (Fin.)	104-11 5 1-64 7/2-74 54-54 11-2 32-4 84-81 9-12 84-84 5-9	10%-11 6-64 712-74 5-6-5-5 13-15 33-4 84-85 94-114 8-84 84-94 43-4-6	11-11-15 Signatur 74-71-2 Signatur 31-2-4-2 Signatur 101-111-1 14-8-5 Signatur 14-8-5 Signatur 14-8-5 Signatur 14-8-5 Signatur	1011-114 6.3-6.3 779-759 5.3-5.4 3.12-4.6 811-812 101-11 759-75- 74-84 44-4.2	10/1-10/8 6/3-6/3 7%-7% 5/3-6/3 3/2-7/2 8/13-8/1 10/4-10% 7/2-8/4 4-4/2	1011-1011 6-3-6-3 7-7-7-5 5-3-3-6 3-2-3-3 4-45 6-10-5 7-7-7-6 4-4-6 10-10-7 7-7-0 4-4-6			

Asian S (Sing.)	63-64	62-64	63-66	66 46	64-64	64-62
Long-Lerth Eur	odollars: Two	years 6.2-6	& percent; th	ree years 611-	7 & per cest; 1	four years 74
712 per cent; fo	re years 74-7	B per cent	nominal, Shor	t-lean rates a	we call for U	S Dollars as
Japanese Yes; o	others, swe a	EAL WOLICE				

Feb. 4	٤		DM	YEN	F Fr.	S Fr.	H PL	Line	C \$	BA
£	0.657	1.529	2.763 1.814	232.5 152.7	9.220 6.056	2.333 1.532	3.110	1961. 1288.	2.019 1.326	57.0 37.4
DM	0.362 4,301	0.551 6.548	1. 21.68	54.16 1000.	3.338 39.66	0.844 10.03	1.1% 13.38	709.9 8434.	0.731 8.682	20.6
F Ft	1.085	1.651	2.996 1.184	252.2 99.65	10. 3.953	2.530 1	3373	2127, 840.7	2.189 0.865	61.8 24.4
H FL Ura	0.322 0.510	0.490 9.776	0.888 1.409	74.76 118.6	2.965 4.702	0.750 1.189	1. 1.586	630.5 1000.	0.649 1.029	18.3 29.0
C S	0,495	0.754	1.369	115.2	4.568	1,156	1.541	971.5	L	28.2

£174m, a rise in the note circulation

The Bank gave assistance in the

interest rates unchanged. Yester-day's allocation of DM 16bn

through the Bank's latest sale and

Yen per 1,000: French Fr per 10: Lira per 1,000: Selgian Fr per 100.

FT LONDON INTERBANK F	DONE				
(11.00 a.m. Feb. 4) 3 months U.S. dol	lars	6 creatis U.S. dellars			
bid 6 % Offer 6 %		MG 6 18	Offer 6 4		
The fixing rates are the arithmetic mean	s. reanded to	the nearest one	-styleenth, of the bid at		

MONEY RATES						
NEW YORK (Lunchtime)		o morth	5		Boods	
Promerate Broker loan rate Fed. funds Fed. funds at Intervention	712 TH 714 So 61g On	rer matib r year	5	.72 Five you. .80 Seven .85 10 year	169	
Feb. 4	Overrighs	Migratin One	Terê Montles	Three Months	Sin	Loni
Pracklest Parts Zunich Ansterdam	3.75-3.85 84-84 7-14 5-4-5-6	3.60-3.75 83834 34-34 53-54	3.80-3.95 8 <u>2</u> -8 <u>2</u>	3.85-4.00 89 ₂ -85 ₈ 33 ₄ -35 ₉ 54-55 ₈	3.90-4.10 64-64	5.0 8

purchases of eligible bank bills, £3m in band 3 at 1011 per cent £3m in band 3 at 1044 per cent and £5m in band 4 at 1011 per cent Further help was given in the	Tokyo Milian Brissets Dubbin LONDON MONE	4.40625 114-124 8.40 134-135 Y RATE	4.28125 12-12-5 77-8 14-144	10,10,	4.34375 134-134 74-762 144-144	134-1392	
afternoon of £66m through out- right purchases of eligible bank bills in band 2 at 10½ per cent.	Feb. 4	Over- stylu	7 days updo:	Menth	Three plants	Six Mandis	Ŷ
Late help came to £40m, making a total of £118m. In Frankfurt dealers seemed fairly sure that today's meeting of the Bundesbank central council would leave credit policies and	Intertant Sterfing CDs. Lucal Authority Deposits Lucal Authority Bonds Discount Market Deposits Company Deposits Frequet House Deposits	_	1012-1012 1012-1014 1014	114-102 114-105 114-11 112 102 112-114	117 105 117-105 117-105 117-105	1012-104 104-105 1013-1011 11:4 1011 1011	1011 107 107 1

repurchase agreement replaced a maturing agreement of DM 10.5bn and call money fell to 3 80 per cent from 3.90 per cent as a result.

Dealers were unsure about the Treasury Bills (sell); one-month 1033 per cent; three-months 1033 per cent; Bank Bills (sell); one-month 1033 per cent; three months 1054 per cent; three months 1054 per cent; three months 1054 per cent; Treasury Bills; Average reuter rate of discount 10.5618 p.c. ECGD Fined Finance Scheme ity reference state Jamany 1 to 30 (anchoret: 11.098 per cent. Local Authority and Finance Houses seven days' notice, others seven days' hard. Finance Houses Says Rate 11½ per cent from February 1, 1987; Bank Depost Rates for some as seven days' notice 4.35-4.375 per cent. Certificates at Tax Depost (Sories 6); Depost £100,000 and over held under one month 10½ per cent; one-three months 10½ per cent; three-six months 10½ per cent; sta-shae months 10½ per cent; one-12 months 10½ per cent, Under £100,000 10 per cent from Jarvatry 23. Deposts held under Serva 5 10% per cent. Deposits will drawn for Cash 5½ per Bank's next move. Much depends

FINANCIAL FUTURES Gilt prices firmer

GILT PRICES rose quite sharply in the London International Financial closing at 115-20.

Futures exchange yesterday, helped by a slightly firmer trend in sterling, were also firmer, having Futures exchange yesterday, helped by a slightly firmer trend in sterling. The slight improvement in sentu-ment also encouraged some short covering of bear positions and this trend was accelerated by Monday's encouraging reaction to the US 3-year bond auction.

Some dealers were also optimistic about the possibility of a cut in UK elearing bank hase rates some time before the UK budget due on March

The March long gilt price opened at 114-27 up from 114-22 on Tuesday

Fig. 188:—Last Pet. June Pet. 22:30

Feb. 0 00 0.00 0.00 0.02 0.35 3 59 7.50 12 90

LIFFE ES OPTIONS E25,000 (cents per £1)

LONDON

Close High Low 99-07 99-10 99-09 ged Volume 11 (0) us day's open Int. 303 (303)

THREE-MONTH EUROGOLLAR

Close 1.5152 1.4990 1.4836

93.73 93.82 93.79 93.66 93.48 93.24

tradedwithin a very narrow range just recently. The March price opened at 89.21 and rose to a high of 89.30 before closing at 89.27, up from 89.19 at the previous close. US Treasury bonds finished on a firmer note, helped by Monday's

encouraging three-year note auction. Some traders remained sceptical, however, claiming that the longer term auctions were likely to be of more significance. After the close of trading last night there was a 10-year auction

LIFFE US TREASURY BOND PUTURES OPTIONS LI

LONDON SE CS OPTIONS \$12,500 (cents per £1)

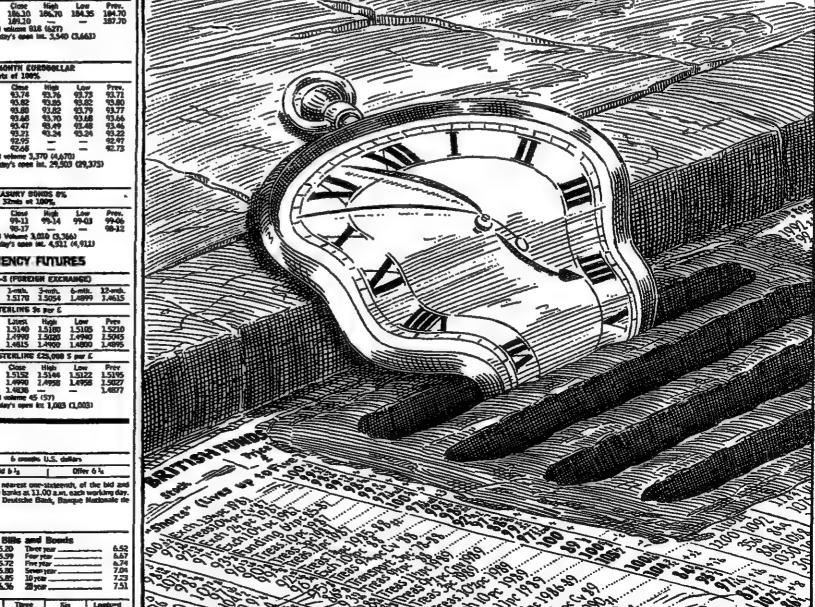
followed by a 30-year auction today. The March Treasury bond price opened at 99-05 little changed from Monday's close of 99-06. However, any early selling soon dried up and values were marked up to touch a best level of 99-14 before closing at 99-11. The 59-14 before closing at 99-11. The SFL C dollar's better tone also helped to

mprove sentiment while the recent weakness of the Federal unds rate also provided a fillip. The March three-month	SFL P	FL215 FL215 FL190 FL200 FL205 FL210	1700 508 102 34	0.40 0.50 1.20 3.50 6.80	10 22 96 41 73	1 40 0 80 1 50 3 4 80 7 80	160 160	1 90 2 40 4 20 6 20 9 50	
Eurodollar contract opened at G.73 which proved to be the day's			ميل	87	Sep	87	ρę	C 67	
ow and reached a high of \$3.76 ocfore closing at \$3.74, up from \$2.71 on Tuesday. FFE FT-SE 100 INDEX FUTURES OPTIONS State Calls Lizi Page Liz	STL C STL C STL C STL C STL C STL C STL P STL P STL P STL P STL P STL P	F1.195 F1.200 F1.205 F1.215 F1.215 F1.225 F1.230 F1.295 F1.200 F1.200 F1.210 F1.210	10 37 22 10 5 - 32 13 326 320	9.50 6.90 4.70 3.40 1.50 2.40 3.60 5.50 7.90	6	10_30 	111111	14.50 7.70 6 5.50 2.80	FL205
DD40 1AA 599 175 739			1	Apr 37		uf 87	0	# E7	
18500 3.05 4 e3 1 95 3.50 18750 1.84 3.32 3.24 4.79 18750 1.84 3.32 3.24 4.79 19000 1.88 2.54 4.78 19000 1.88 2.54 4.78 16 2.54 4.78 16 2.54 4.78 16 2.55 4.78 16 2.55 4.78 16 2.55 4.78 16 2.55 4.78 16 2.55 4.78 16 2.55 4.78 16 2.55 4.78 16 2.55 2.55 - 0.50 12 40 12.40 0.25 0.25 - 0.50 12 40 12.40 0.30 0.30 0.40 1.30 1740 77 0.30 0.45 1.10 2.10 3.70 4.40 0.60 1.70 2.60 4.20 1.40 2.25 3.43 4.60 5.50 7.20 0.70 1.20 8.00 8.90 9.60 11.10 17 190 20.20 - 21.40 17 190 20.20 - 21.40 17 190 20.20 - 21.40	ABN G ABN G ABN P AEGON C AEGON C AEGON C ANDLD C ANDLD C ANDLD C AMEV C	F.540 F.480 F.185 F.185 F.185 F.130	486 486 486 486 486 486 486 486 486 486	1.20 7 2 4 3.70 9.508 2 4 11.1 13.50 2.20 2.20 1.20 1.20 1.20 1.20 1.20 1.2	32 3 - 10 34 20 88 160 40 40 41 11 12 12 13 13 13 13 13 13 13 13 13 13 13 13 13	12.50 11 8.20 5.20 5.20 5.20 5.20 6.30 6.30 6.30 6.30 6.30 6.30 6.30 6.3	5-1477 41 207 9 1 1 200 4 1 201 4 20	15.50 3.10 3.50 6.50 14.505 3.30 4.60 4.50 1.2	F1.506 F1.79 F1.101.50 F1.102.70 F1.65 F1.84.40 F1.329 F1.39.70 F1.357 F1.357 F1.71.80 F1.71.80 F1.71.80
Sent. Dec. Istar. June Sept. Dec.	PHILIPS P ROYAL DUTCH ROYAL DUTCH		2096 347 254 164	2.60 1.30	24 85 577	4,40 3,80	281 70	5.70	FL214.40

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c, Calls 40 Pecs 23 - 0.00 - 0.01 - 0.04 - 0.12 - 0.30 - 0.52 - 0.76 Puts 1,294 0.30 0.70 2.25 5.20 9.20 CHICAGO Close High Low Prev. 115-20 115-24 114-27 114-22 115-23 115-19 115-10 114-26 115-02 — 115-05 115-22 — 114-25 volume 22,828 (9,200) Lates: Help Low 0.6577 0.6562 0.6549 0.6590 0.6596 0.6583 0.6623 0.6625 0.6623 Lates: Hugs 0.5577 0.5562 June 0.5590 0.5562 Sept. 0.5623 0.5625 BEUTSCHE MARK (IMM) BM125,000 \$ per BM 99-68 98-10 97-12 96-15 95-18 94-22 93-27 93-01 92-09 0.5532 0.5503 0.5632 93-07 93-67 U.S. TREASURY SILLS (IMM) \$1m points of 100% Low 93.73 93.82 93.79 93.67 93.46 93.19 92.91 92.54 10w 94.51 94.63 94.63 94.54 Cisse Mgh Low 89.27 99.30 89.21 99.68 99.72 99.65 89.86 89.89 89.83 81.88 39.91 89.86 99.68 89.86 59.67 sed Valume 4,702 (2,348) is sky's open Inc. 16,248 (15,997) Prev. 89.19 89.61 89.79 89.63 89.71 SWISS FRANC (IMM) SFr125,000 \$ per SFr

A = Ask B = Bid C = Call BASE LENDING RATES Ariam & Company Chydestale Baok _______ 11 Comm. Bk. N. East ______ 12 Nas Westmister ... American Esp. Blc..... Amro Bank ... PK Finans, Intl LUIQ ____ 111; AMZ Sanking Group 11 Duncan Lawrie Royburghe G'rantee 111-Exerer Trust Ltd... Bank of Cyprus Bank of Ireland..... First Nat. Sec. Ltd 1112 Umted BL of Kowart...... United Mizrala Bank..... Bank of India.... HFC Trust & Savings..... 11 Serviner Bank AG Brit. Bk. of Mid. East

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BAIL

Financial Times Thursday February 5 1987 26 ### Stock | Price | + st | Yiel |
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Financial Times Thursday February 5 1987 INVESTMENT TRUSTS—Cont. | The content of the | Stanck | S ### 22 | Florth Sea Arsiels 309 |
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Account Dealing Dates *First Declara- Last Account Dealings tions Dealings Day

Jan 26 Feb 5 Feb 6 Feb 16 Feb 9 Feb 19 Feb 20 Mar 2 Feb 23 Mar 5 Mar 6 Mar 16 "New time dealings may take place price. from 9.00 am two business days earlier.

The UK stock market resumed its advance yesterday, stimulated by a firm pound and sharp gains in Gov-10 per cent yield on long-dated

issues under challenge once again. The equity sector was led strongly by demand for oil shares, and closed at new peaks. Imperial Chemical profit forecast for the group.

London closed at the day's best,

despite initial sluggishness on Wall Street. The FT-SE 100 index jumped 18.1 to a new all-time high of 1846.7. at 1472.8, also reached a new peak. Share prices opened lower but turned upwards in response to overfixed price term contract. The stering exchange rate index moved higher, and Government bonds quickly followed.

Gilts were also helped by the

rork bond market to the opening of the week's auctions of Federal securities. Supported also by the gain in US economic indicators, the outlook for global interest more and the same and t outlook for global interest rates has liminary profits. brightened this week. Composite Inst

fuelled by demand from both foreign and domestic investors. Gains ranged to nearly a full point at the longer end. after some marginal profit-taking in the clos-

opening of the market after over- the resolutions for the appointnight reports of the Arameo deal ment of Bestwood's Tony Cole as a with the Saudis. London buyers director and the removal of director Jasper Clutterbuck. Tony Cole across the Atlantic as soon as Wall has complained to the Office of Fir

York support. Concern over a US Senate Bill to increase tax on tobacco hurt BAT Industries. which also suffered from suggestions that it might bid for Amer-

UK merchant banks weakened on the proposal to give the Bank of England greater powers to curb acquisitions of equity stakes in the banking sector. Particularly week were Standard Chartered,

EQUITY GROUPS

Sharp rise in Government bonds as oil shares lead

yous over the general outlook for the dollar, and thus for the gold

Hill Samuel slump

News of the proposed changes to the Banking Bill whereby the Bank ernment bonds, which brought the of England is to be given greater powers to control acquisitions of large stakes in UK banks demoralised Hill Samuel, the merchant bank in which Mr Larry Adler's FAI-Insurances has built up an "unwelcome" 14 per cent stake Industries rocketed higher in late dealings as the City buzzed with rumours that a leading London cern NZI also owns a 4.5 per cent investment house had upgraded its interest Hill Samuel fell sharply to end a nervous session 54 down at 460p. Kleinwort Benson were also badly affected and dropped 29 to 612p; the shares have been strong while the FT ordinary index, 143 up ding speculation. Morgan Grenfell. meanwhile, held up well and closed only 4 easier at 412p. Winnight news that Aramco had agreed to buy Saudi Arabian crude oil on a fixed price term contract. The ster-where. Standard Chartered came under renewed selling pressure, falling to 730p at one stage before closing 16 lower at 738p. Apart from NatWest, which added 6 to count Houses. Union jumped 17 to 785p following the bumper pre-

Traders reported a "reasonable" participate in the general advance, emand" for long-dated Gilts, General Accident gave up 4 at 878p General Accident gave up 4 at 878p and Sun Alliance fell 9 at 695p, Leading Breweries retained a firm stance. Matthew Clark were favoured and rose 8 to 475p, while Young and Co "A" picked up 5 at Ing minutes.

After yesterday's gains, long Vaux came to an end as profitGifts need rise by only a further 14 takers appeared and the shares
point to push yields below the 10 takers also moved down, losing 51/2 to 151p per cent barrier.

Oil shares were strong from the on the board's call to vote against Trading about the so-called Whit-

ahead on local demand, while both Beecham and Glaze were restrained by profit-taking. Export stocks again featured, with Jaguar and Racal attracting Name of the stocks again featured. while Taylor Woodrow rose 4 to reflecting US demand. AMEC con-Aifred McAlpine gained 9 to 455p tion. Elsewhere, Arneliffe jumped to 96p before easing back to 86p, a gain of 2 on balance, on news that Govett Strategic Investment Trust had acquired a 25.6 per cent stake in the company from the Cussins down 16p following press reports on last year's bid battle against Lloyds Bank. family. Nottingham Brick soared 40 to 365p following the announcement that the company is in dis-Gold shares remained inactive, cussions with an unnamed party closing hardly changed from over- which could lead to a recomnight levels. The sector was mended offer; Marley, 6 down at helped by a rally in London bui- 135p, were mentioned as possible

equity market to new peaks FINANCIAL TIMES STOCK INDICES Since Commitation Jan. 30 High Low High LOW 94.51 (18/4/86) 85.61 85,31 81.51 80.39 127.4 85.35 85.33 85.35 (201/86) 50.53 (3/1/75) 87.13 97.68 105.4 92.34 91.93 91.90 91.43 Fixed interest (23/1/86) (7/7/86 49,4 (26/6/40 1,094.3 1,472.8 1,458.5 1,163.1 1.4723 1,463.9 1,441.0 1,427.0 1,472.8 43.5 (26/10/1) 311.5 309.7 321.6 330.4 357.8 185.7 734.7 313.5 322.6 (18/7/86) (15/2/83) S.E. ACTIVITY 3.99

Gold Mines ... Ord. Div. Yield . Earnings Ykd.%(full) ... 9,10 9.36 9.04 9.25 Feb. 3 Feb. 2 Indices 13.64 11.53 13,47 13.55 13.26 13.10 122.3 316.4 2567.6 124.0 328.6 3000.5 P/E Ratio (net) (+) ___ Gilt Edged Bargains . 37,696 38,730 40,150 34,168 37,029 SEAQ Bargains (5 pm) 555.95 .270.31 1.484.45 1,344,33 1,589.94 Equity Turnover (£m)... 22,803 48.837 50.710 43.671 46,864 Equity Sargains . 238.7 598.8 580.3 Shares Traded (mi) 497.6 546.3 4 p.m. 1472.7 1 p.m. 1472.3 3 p.m. 1470.6 **♥** Opening 10 a.m. 11 a.m. 2 p.m. 1472.6 1455.9 1459.3 1464.6 1467.3

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, "NII=13.14. LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

bidders. Angle United softened a couple of pence to 42p following comment on the annual results, but Howard Shuttering continued to reflect the excellent interim figures and touched 85p prior to closing 11/2 higher at 79p.

Day's High 1476.1. Day's Low 1455.9

ICI provided one of the day's outstanding movements, rising he to £131g following a lunch with Greenwell Montagu at which pro-fits forecasts for 1988 and 1989 were raised. Elsewhere in the Chemical sector Croda International Ordinary added 3 to 188p and the Deferred a similar amount to 167p on takeover hopes. Sutcliffe Speakman hardened a penny to 64p following press

Dixons rise

Press speculation that Dixons is on the verge of placing its 8.5m shares in Woolworth prior to making a substantial acquisition in the US induced good support for Dixons which closed an active seasion 13 higher at 331p after a turnover of over 14m shares: Woolworth rallied 11 at 735p. Other Store majors moved higher on Budget tax cut hopes with Marks and Spencer prominent with a gain and Spencer prominent with a gain of 7 at 198p and Storehouse 10 dearer at 295p. Burton moved up 5 afresh at 273p. Elsewhere, Body Shop attracted renewed support in a thin market and finished 10 to the good at 980p and Courts "A" added 6 at 154p.

Reflecting hopes that the engineers strike could soon be over, investors chased British Telecom higher and following a turnover of 14m shares the close was 61/2 dearer at 236p; sentiment

meanwhile, continued to reflect but United Biscuits added 3 to the recent impressive half-year 288p and Unigate a similar figures with a gain of 6½ at 223½p. amount to 361p. Retailers while STC added a few pence at attracted selective buying interest 204p. Elsewhere, a sudden flurry with Hesco 3 dearer at 425p and of speculative buying lifted Sound. Residence at 285p. Elsewhere of speculative buying lifted Sound Diffusion 4 to 581 cp and gains of 17 and 32 respectively were recorded in Domino Printing Sciences. 390p, and Polytechnic Electronics. 175p. Molyux. at 140p. however. met with profit-taking and lost 12 of this week's outstanding rise which greeted news of the change In management and placing of 39

per cent of the company's shares with institutions and Individuals

at 126p per share. Engineers encountered selective buying However, marked weakness in Vivior Products, down 20 at 93p after 26p, on the poor interim figures and the forecast of substantially lower profits in the second half, provided the main feature of the day, in con-trast, GKN revived with a gain of 314 at 32214p and TI improved 4 to 585p: both companies are cur-rently on Greenwell Montagu's "buy" list. Newsletter comment stimulated demand for Metairax, 6 to the good at 96p, and USM listing Atlas Converting Equipment, 4 better at 160p. Further demand ahead of next Thursday's preliminary statement prompted a rise of 8 to 166p in BirmidQualcast.

Tate and Lyle moved ahead strongly following the chairman's confident statement at the annual meeting to close 21 higher on the was also helped by considerable day at 679p. Other leading Foods traded option activity. Racal, showed little alteration overall

399p, following the company's statement regarding an approach from Hollis: APV gave up 10 to

Kwik Save 4 up at 262p. Elsewhere, Geest, up 7 at 221p, continued to attract buyers on stake-building rumours and vague suggestions of a possible merger with Albert Fisher. Speculative demand in a restricted market lifted Home Farm Products 10 to 111p. Jack israel added 11/2 to 231/2p helped

by option business.

Buying ahead of the annual results due on March 12 boosted Ladbroke 8 to 414p, but Trusthouse Forte encountered occasional selling and settled a couple of pence cheaper at 203p. Friendly Hotels attracted fresh support and gained 8 to 187p. a two-day rise of

Hanson Trust active

Hanson Trust were a particularly active market (some 16m shares were traded) and settled 4 to the good at 146 2p. Among the other niscellaneous industrial leaders, BTR overlooked to a certain extent of late, came to life with a gain of 9 at 290p, while Boots continued to and closed 4 better at 273p. Elsewhere, Blue Arrow, up 30 at 516p. reflected further expansion hopes,

NEW HIGHS (150)
AMERICANS (4), CARADIANS (6),
BANKS (1), BUILDINGS (1),
BUILDINGS (12), GHEMICALS (7),
STORES (3), ELEGTRICALS (11),
ENGINEERING (4), FOODS (5),
HOTELS (1), INDUSTRIALS (26),
INSURANCE (2), LEISURE (5),

LONDON TRADED OPTIONS

enlivened business in P. & O. Volume increased to 2.7m shares and the price rose to 582p before easing to close a net 10 up at 579p.
British and Commonwealth, 349p. were unmoved by a firm "buy" while Evered responded afresh to a broker's circular with a further gain of 10 at 230p. Demand per-sisted for London International. up signal from BZW.
Profit-taking wiped the froth off

Textiles and Courtaulds, against the overall run of play, came back 5 to 387p. Recent high-flier Dura Mill also suffered, losing 6 to 95p. while Textured Jersey eased to 150p. Firm counters were few but included John Foster, up 10 at 89p. and Hugh Mackay, another 5 bet-

18 more at 320p. Wellcome, helped by newspaper comment, firmed 7

to 289p. Rank Organisation were

noteworthy for a rise of 11 to 615p along with Johnson Matthey which

improved 13 to 273p. Barrow Hep-burn hardened 3 to 68p on the

more to 312p. English China Clays

Helped by Japanese buying Ren-

ters B hardened a couple of pence

more to 596p; the preliminary figures are scheduled for next

Wednesday. Pentiand Industries ended 3 cheaper at 542p, after 535p, following news that the com-pany had purchased at 25 per cent stake in the Gallini Group. Fother-

gill and Harvey ended at 314p following termination of talks with

the company which made a tenta-tive approach last Friday and the

recommendation of Courtauld's

Highly (avoured by many domestic analysts, Jaguar man-

while Octobus advanced 15 more

possibilities aroused speculative

recover from an early mark-down, but Great Portland Estates, after

dipping to 200p, picked up on revived institutional demand to

close only a penny cheaper on balance at 205p. Hammerson A

settled 10 lower at 435p, but Slough Estates bardened 2 to 184p.

Elsewhere, takeover favourite Marier Estates soured 80 to 775p

on talk of imminent develop-ments. Trafford Park Estates

gained 15 more to 305p in a

MOTORS (2), NEWSPAPERS (2), PAPER (5), PROPERTY (7), SHIPPING (3), SHORS (3), TEXTILES (2), TRUSTS (34), OILS (4), MINES (4), NEW LOWS (2)

STORES (1) Tip Top, PAPER (1) Peters

Revived institutional interest

restricted market.

NEW HIGHS AND LOWS FOR 1986-87

to 640p. A Press report of bid

increased and final offer.

increased and final offer from Yule Catto; the latter gained 13 ter at 141p.
Fears of a US cigarette tax increase unsettled BAT Industries, selling was persistent and brought a close of 10 down at 496p. edged up a penny further to 375p in anticipation of an ADR listing The first of a series of regular

commentaries on the Investment

Trust sector from L. Messel & Co. a

subsidary of Shearson Lehman Brothers of the US, encouraged interest in the dozen or so stocks 'buys." Sentiment was also underpinned by the fresh surge to peak levels in London equities, but closing gains were generally modest. Elsewhere, Stockholders Far East Investments bounded 15 to 330p in response to Tuesday's late news that the company is examining the possibility of unitisation, Awaiting today's interim statement, Mid Wynd IT

aged an improvement of only 4 to 612p. Lucas Industries were sup-ported and gained 5 to 555p, while improved 2 to 220p.
Suggestions that the group could face a £10m loss if the Australian National Companies Distributors Glanfield Lawrence and Hartwells added 4 spiece at and Harweis added 4 apiece at 89p and 98p respectively. A strong recommendation from Phillips and Drew generated buying interest in BPCC, up 4 at and Securities Commission ruling on the purchase of 13.9m shares of Humes Corporation is not reversed touched off nervous self-295p. after 297p; the broking house reckons the shares are cheap and has upgraded its profits forecast for both the current year and 1988. Elsewhere, Trade ing of Mercantile House, which fell 10 further to 350p. Authority Investments shed a little of the previous days smart gain to close at 353p, but Parambe were supported and rose 6 to 69p. Promotion rose 8 late to 218p.

Oils gain ground

enthusiasm for Lopez, 7 up at 158p, while Charles Barker rebounded 5 to 131p.

Properaties generally failed to The Oil majors were given a strong boost by reports that Aramco had entered an agreement to buy Saudi crude oil at fixed prices in long-term contracts. Quotations moved sharply higher despite weakening crude spot prices to close on a very firm note with British Petroleum finally 17

higher at 782p and Shell ¼ up at £11. Britoil gained 51/2 to 193p and Enterprise 412 to 1931/20, while LASMO put on 31/2 to 1891/20, Late support left IC Gas 3 up at 589p, and Ultramar 2 better at 186p. Elsewhere, Ireland's Conroy, a dull market recently on rumours that the company had hit drilling prob-lems at its County Kilkenny prospect, rallied 7 to 83p. Comment on the Clyde Petroleum/Goal Petroleum situation prompted profittaking in Goal, finally 5 off at 68n.

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Traded Options

A busier session in the Traded Options market was featured by Britsh Telecom. Hopes of an early end to the current strike induced heavy demand for BT's options and 11,863 calls were done, 2,355 in the February 240s, 2,155 in the February 200s. Nearly 2,500 puts were also arranged. Hansen Trust were also fairly active with 4.157 calls transacted out of the total number of 38,438 calls struck.

Traditional Options

- First dealings Feb 2 Feb 16 Mar 2
- Last dealings
- Feb 13 Feb 27 Mar 13
- Last declaration May 7 May 28 June 11
- For Settlement May 18 June 8 June 22

For rate indications see end of Unit Trust Service

Money was given for the call of Benchmark, London Securities, Amstrad, Hampton Trust, British Syphon. Hawley, Amber Day, Fobel, Equity and General, Sound Diffusion. Pineapple, Hambro Countrywide, Rotaprint, Radiant Metal, Thurgar Bardex, Thora EMI, Hillsdown, Metal Closures, Stanley Milller, Ferranti, London EMI, Hillsdown, Metal Closures, Stanley Miller, Ferrauti, London Investment Trust, Grampian, London and Provincial Shop Centres, Hestair, Abaco, Armonr Trust, TSB, Goal Petroleum, TI, Bockware, Pentland Industries, Chleride, Charterhall, Hyman, Bra Field, Hanson Trust, Greenwich Besources, Sunleigh, Boustead Burndene, Times Vencer, Wheway and Stockley. Puts were arranged in Samuelson, Downferse and Crenite, while double options were transacted in Hawley and

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 6 pm.

Steck	000's	price	change	. Slock	G00.2	price	change
ASDA-MFI	4,400	149	_	Ladbroke	2.000	415	+9
Altier Lyon,	2,800	344	+2	Land Securities	2,400	344	-1
Arestrad	2,600	157	-3	Legal & Gen	3.000	271	-3
Assoc. Brit. Foods	751	331	+1	Licyds Bank	1,900	475	<u>-2</u>
BAT	9.700	496	-10	Lonrino	1,300	246/2	12
BET	360	501	+5	Marks & Sonor	10,000	198	+7
BOC	360 1,400	433	+3	Midland Bank	2 200	592	-2
SPB Inds	25	501 433 599	+1	Nat West Bank	2,700	585	+6
BTR	4,300	290	49	Pearson	365	562	-6
Barclays	637	536	-1	P & 0	2,800	579	+10
Bas1	603	821	+4	Pilkington Bros	737	694	+1
Beechter	2,500	489	+2	Piesse	17.000	211	4
Blue Circle	193	695	· =1.	PresseyPrudential	1100	844	-3 -7
Boots	5,900	273	+4	Recal	16,000	2211-	. +61/2
Brit. Aero	935	589	+3	Rank Org	759	636	+12
Brit. Gas	37,640	- 69	+6	RHM.	1,400	3201	+11,
Britoli	4.650	193	+512	Recktt & Col	434	957	+5
BP	4,650 7,700	782	+17	Redland	162	ALE.	÷1
Brit, Telecom	14,000	296	+612	Reed Intl	888	465 380 5%	-ŝ
Burton	7.200	296 272	+5	Resters	335	504	+2
Cable & Wire	2 300	365	13	RTZ	1.500	\widetilde{m}	+14
Cackbury Schwps	2,300 3,200	225	+1	Rowntree Mac	897	461	+1
Coats Vivella	878	539	<u>-</u> ;	Royal Insurance.	571	895	-5
Comm. Union	2,600	3064	-41 ₂	STC	6,400	204	+3
Cons. Gold	2,000	723	+11	Seatchi & Sastchi	273	829	-1
Cookson	2,000 2,900 2,300	546	-1	Sainsburg	151	439	+3
Courtaulds	7 100	387	- <u>1</u>	Scott & Newcastle .	301	212	Ŧĭ
Dee Corp	3 300	227	+1	Stars	594 4,100	1251,	Ŧì
Dhors Gra	2,300 14,000	331 ·	+13	Sedgwick	1,000	308	14
FISHE AND THE PROPERTY.	220	597	-3	Shell Trans	3,400	ñi,	+14
Gen. Accident	330	878	-4	Smith & Neshaw	3,200	138 2	115
Gen. Elect.	8 200	201	+1	Standard Chart	1,600	738	-16
Glaxo	8,200 1,200	£13&		Storehouse	4.000	130	+10
Granada	820	321	-2	Sun Alliance	855	295 695	_9 _9
Grand Mat	2,200	4871	+12	TSB	3,300	7612	-7
Gus "A"	254	£1115	+10	Tarmac	660	400	-1 ₂ -1 +3 +3
Guardian R.E.	854 938	824	+1	Tesco	1.850	489 435	T#
EKN ************************************	4.100	3221	+312	Thorn EMI	1,000	560	72
Caluage	3,100	289	T342	Trafaiger House	1.300	200	+2
Hanson Trust	15,000	1463	+4	Thouse Forte		300 203	+4
Hawker Sidd	994	524	-1		1,100 282	203	-21-4 +3 +7
Hillsdown Higs	240	230		United Biscuits	1.800	£23°a	70
1C)	558 7,900	ញ្ញារ	+12	Wallenate	4.400	268 289	72
Imp. Cont. Gas	312	507	716 +5	Wellcome	4,400 L400	207	- 1
Jaguar	3,200	591 612	+4	William Programme Agency (Agency Programme Agency Program		284	+11
ALL BOL SHIPPING	الالتارات	912	74	Woohworth	1,600	735	417

DIRES AND FALLS VESTEDNAY

Index rate (rese			
British Funds Corporations, Dominion and Foreign Bonds Industrials Diss Diss Plantations Mines Others	Rises 105 4 484 143 34 2 84 96	Falis 2 19 484 158 25 4 30 40	Same 5 48 565 286 53 8 69 45
Totals	952	762	1,079

LONDON RECENT ISSUES EQUITIES

issue	Paig	Latest . Recent.	198	5467 	Stock	Closing	+ or	Net.	Theres		
Price	120	Date	High	Low		Price	-	Div.	Cord	Yield	Ragio
H H	F.P.	30/1	76	65	#Avesco (Reg) lp	77	+12	10.5	6.6	0.9	19.7
44	F.P.		37	24	Benson (SGB)	37	+3	bd0.5			23.1
ИU	F.D.	-	63	37	2Border TV	55	+112			6.4	6.8
135	50	20:2	724	61	British Gas	6812		w6.5	21		فتدا
<i>§</i> 94	F.P.	61	119	114	₹Gayror Group 10p	119		12.67			
695	F.P.	19/1	120	105	♦ Halls Homes & Edns 5o	1181		R2.77		33	131
\$23	F.P.	5/1	29	24	&Harmony Leisure 5p	29			12.4	0.5	
§100	F.P.	14/1	121	95	V Hornby Group Sp	95		R3.195		4.7	10.8
4128	FP.	30/I	180	146	Hoskyas Group Sp	179	+1	01.6			23.9
965	F.P.	21/1	85	65	Lagitek Sp	85		RIA			12.4
Ģ 144	F.P.	23/1	159	14412	MIL Research 5p	159	+1	R3.0			15.4
4102	F.P.	_	115	104	Mayborn Grosp 50	112	-3	R3.2			11.6
150	75		78	75	Mezzamine Tst. Inc.	77		at10.4		9.6	
50	F.P.	-	53	50	Do. Capital 50p	51		¥10.4		11.6	_
8 N	F.P.		53	52	Mukitrusi	52					
\$100	FP.		107	101	Paribas French Inv. Tst.	107		1 =			-
_	F.P.		106	101	Scot. Inv. Tst. Warrams .	101	-1		1 = 1		
5112	F.P	8/1	128	119	Tribble Harris \$0.01	128	+8	R03.6c	28	19	18,7
4130	F.P.	27/2	183	148	Viking Packaging 10p	183	TD	3.5			נע

FIXED INTEREST STOCKS Amount Latest 1986/87 Paid Renunc 1986/87

-	_ +		nign	FOA		=	1
101 61 6100 199.237	£10 £50 F.P. F.P.		12\ 49\ ₂ 101\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	1001° 1001° 1103° 1103° 1103°	Mai-Kens Water 8½%, Red Pri. 1997 Mid-Sesser Water 11% Red Deb 2012-16 Works im: 7: 11 % Deb. 2012-1 Nationwide 11½%, Bds. 187,788 P. & O. 6½% Cav. Red. Pri.	100% 100%	+1
"RIG	и 12.	וט	FEE	(5			
Issue Price	Amount Pard up	Latest Renunc Date	19 High	86/7 Loss	Stock	Closing Price	+ 01

Remundation date usually last the for dealing free of stamp duty. A Annualised dividend. In Fig. on prospectus estimates, in Dividend rate paid or physible on part of capital, cover-based on device and a Assumed dividend and yield. A Assumed of mister on earlings updated by lasts interin statement. In Dividend and Yield based on prospection of mister produced by lasts interin statement. In Dividend and Yield based on prospect official estimated annualised dividend, cover and pre-based on latest arms Furnata Figures. I individed dividend, cover relates to previous dividend; pie ratio based on a servinus year of samples for process, or estimated annualised dividend rate, cover based on previous grain is sused by tender is Ottered holders of ordinary shares as a "rights." If Ill production, "a 1st discover | Allicument price & Remirroducter, "of Issued in connection with reorganisms." It is all composition to protect | 100 process | 100 proces

FT-ACTUARIES INDICES

These Indices are the joint compliation of the Financial Times, the institute of Actuaries and the Faculty of Actuaries

	& SUB-SI			\ \ \	Wednesday February 4 1987					87	Feb 3	Feb 2	Jan 30	Ago Cappres.	
Fi	igures in parenthes stocks per		number	of Inde No	ex D	ange	Est. Earnin Yield ⁴ (Max.	1	Gross Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	ed adj. 1967 to date	Index No.	Index No.	Index No.	ludes. No.
1	CAPITAL SUUD	S (209) ,		781.	52 +	6.0	8.0		3.37	15.65	0.74	776.96	777.31	769.07	601.7
2	Building Material	is (27)	-12 100000 1120	959.	74 -1	0.1	8.1		3.40	15.40	9.56	960.57	955.36	939.24	647.8
3	Contracting, Cons Electricals (12)	RUCCION (1343	89 +0	0.6 0.5	7.1		3.49 4.02	19.26	0.34	1336.30			945.9 1693.7
5	Electronics (38)	***********		1741	08 +	0.3	7.7 8.2		2.37	16.64 16.07		1735.67		1941_10 1725.11	1459.3
6	Mechanical English	reering (6	1)	443.		0.4	9.0		3.75	14.77		441.40			337.3
8	Metals and Metal					2.1	8.9		3.65	13.53		398.79			265.1
10	Motors (15) Other Industrial N	datarinic	·	313.		0.7 1.8	8.7 6.9		3.35 4.23	13.14	0.00	311.45		308.05 1276.06	239.57 108.69
21	CONSUMER GR					0.5	6.9		2.98	17.14 18.55				1038.44	780.1
22	Brewers and Dist	iliers (22)	998		0.1	8.5		3.47	14,73	0.00	797.18		981.48	793.8
25	Food Manufactur	ing (25) .		812.		0.3	8.2		3.46	16.00	178	010.63	815.35	779.77	570.3
25	Food Retailing (1	.6)		1967	62 +	0,4	6.8		2.76	20.33	9.50	1958.98			1694.9
27 29	Health and House Leisure (31)					0.5 0.1	6.8		1.91 3.76	24.30 19.24	0.73	1981.56 1101.21		1914.62	777.3
31	Packaging & Pap	er (14)	************	571		-	6.2		2.93	20.92		571.94			391.7
32	Publishing & Prin	ting (14)	M =1==00000=	3334		0.3	6.0		3.42	21.11			3322,79		
34	Stores (37)					1.9	7.1		3.02	19.01	0.25	880.55	877.24	870.19	730.8
35 40	Textiles (17)	.,		635.		0.9	B.2		3.19	13.88	0.00				436.20
41	OTHER GROUPS Agencies (17)	(0/)		915.		1.6 0.4	8.3 4.6		3.61 1.77	14.91 29.43	0.52	901.16 1235.28			723.02 0.0
42	Chemicals (21)			11247	13! 4	4.1	7.1		3.38	17.10		1197.64		1156.55	799.8
43	Conglomerates (1 Shipping and Tra	3)		1156	13 +	1,6	7.4		3.78	15,88			1133.45		0.6
45	Shipping and Tra	nsport (1)	j)	1745	56 +	1.1	6.0		4.28	20.90	0.00	1725.93	1731.02	1725.67	1394.1
47 48	Telephone Netwo	irks (2) "		935.	91 +2	2.0 1.6	9.9		4.12	13.65		917.61			046.43
49	Miscellaneous (2: INDUSTRIAL GE	otip (49	131	063	36 2		10.1	_	3.47	11.13				1214.70	
51	Oil & Gas (18)					0.9 1.8	7.6		5.55	16.66	0.79	1603.51	954.06	938.86 1611.71	727.23
59	500 SHARE IND	EX (500)		1017	85 ±	1.0	8.0	_	3.58	15.82		1007.90			760.17
61	FINANCIAL GRI	DUP(117)	648.		0.5	_	-	4.33		0.33	652.49	654.34	651.73	522.70
62	Banks (8)	_	-	714	62 -	-	17.7	7	5.14	7.72	0.69	714.75		714.91	517.21
65	Insurance (Life)	(9)		919.		0.7	-	- 1	4.22		0.00		931.07	924.73	797.29
66 67	Insurance (Compo	osite) (/)) /01		493.	71 -	0.7	-	_	4.40	12.00	8.00	497.12		495.50	418.87
68	Insurance (Broke Merchant Banks ((11)	**** ***** * * * * * * * * * * * * * *	370.		0,4 3,3	8.1	~	4.48 3.10	15.98		1188.90 383.71			1301.32 301.72
69	Property (47)	anneste de stati		830.		0.4	5.7	5 (3.54	22.63	0.05	833.49	837.15	829.98	664.92
70	Other Financial C	25)		407.		0.3	7.3	7	3.74	17.21	0.62	408.32	407.49		294.01
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	PRICE Wed Day's INDICES Feb change			Tues Feb	zd adj		adj.	1	Low		5 years		9.29	9.33	9.87
		4	unange	3	today		1987 dale	2	Coupe		years		9.80	9.86	10.38
- 1						"	· uzic		 Mediu		5 years		9.60	9.87 10.33	10.40 11.50
	British Government 5 years		.0.7-	170.00	1	1]		Coupo		5 years 5 years		10.27	10.13	10.85
	•			1	_	1	0.85	6			5 years		9.87	9.96	10.54
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	Irredeemables				_	ļ	0.00	9	 1	2: 	5 years	اا	9.90 9.73	10.00 9.78	10.66 10.27
5 j	All stocks	132.95	+0.36	132.48	-		1.13			emapres -Linked		· '	7.75	7.70	20.26

Opening index 1822.6; 10 am 1827.5; 11 am 1834.7, Noon 1837.3; 1 pm 1842.2; 2 pm 1842.8; 3 pm 1840.7; 3.30 pm 1842.5; 4 pm 1843.5. t Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

0.00

0.36

0.30

0.25

0.22

117.62 +0.24 117.35

115.09 +0.35 114.68

83.00 +0.44 82.64

9 Debentures & Loans . | 127.62 | . +0.42 | 117.13 |

11 inflat'o rate 5% 12 inflat'n rate 5% 13 inflat'n rate 10%

14 Infrar'n rate 10%

5 yrs... Over 5 yrs...

5 years..... 15 years.....

25 years.....

3.48 3.74 1.91 3.58

11.03 10.99 10.95

12.16

11.82 11.59

3.72 1.78 3.56

10.80 10.92

10.93

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every Monday-Only in the Financial Times

WORLD STOCK MARKETS

	WORLD STO	CRIVITALEIS	
Feb. 4 Price + or Feb. 4 Price + or Feb. 4 Kroner -	STRALIA (centinued) Price + or Pab, 4 Aust. 5 Fab, 4 Yen 1 -	CANADA	÷
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KOP	Feb 4 Price + or SINGAPORE	Indi	ces
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NOTES — Prices on this page are as quoted on the individual Consolidated Fet 0.55 exphanges and are last traded prices. S Declings suspended. Costain Aust	1,910 +30 3afren 18.5 -0.5 3afren 1	Feb	SOUT H AFRICA JSE Gold (28/5/78) — 2050,8 2056,0 2029,0 2121,0 (15/1/87 1169,1 (21/4) JSE Indust (28/6/78) — 1534,0 1529,0 1528,0 1354,8 (5/2/97) 1019,5 (2/1/86) SPAIN Madrid SE (80/12/85) 251,45 243,86 245,81 245,18 251,45 (4/2/87) 100,88 (5/1/86)
OVER-THE-COUNTER Nasdaq national market, closing	ng prices	T09608T0 Feb Feb Jan 1987 - 1987 4 3 2 30 High Low	SWEDEN Jacobson & P (\$1/12/85) 2242.53 2258,25 2257,14 2155,87 2672,78 (7/11) 1729,57(29/1/85 5WITZERLAND SWISS BANKCON(\$1:12/55) 674,7 675,3 581,6 580,0 825,5 (8:1/88) 457,2 (4/6)
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Pincham 1.33 12 7 274 28 5 1	379 3 379 4 9 Vocator 380 5 412 5 4 12 5 1519 125 125 125 125 125 125 125 125 125 125	NORTH AMERICAN QUARTERLIES Continued from Page 16 AVOIT PRODUCTS Tolisties Fourth quarter 1932 1935 Revenue 572.1m 752.4m Op. not profits 772.1m 54.5m Op. not per share 100 A79 Op. not per share 100 A79 Op. not per share 120.2m Not profits 130.3m Not profits	LONDON Chief price changes (in pence unless ctherwise indicated) RISES Treas. 13%pc '04-08 £128 + 1½z Bl Arrow 516 + 30 BP 782 + 17 Conroy Pet 83 + 7 Dixons 331 + 13 Evered 230 + 10 Foster (J.) 89 + 10 ICI £13½z + ½z John. Matthey 273 + 13 Lon Intl. 318½z + 17 Lopex 158 + 7 Mark & Sp 198 + 7 Marl Est 775 + 80 Mowlem 383 + 11 Nott Brick 365 + 40 Parambe 69 + 6 Shell Trans £11½z + ½ Storeh 295 + 10 Tate & Lyle 679 + 21 Union Disc 785 + 17 Wintrust 320 + 17 Yule Catto 313 + 13 Half
HAND DELIVERY SERVICE In most of HELSINKI and parts of ESPOrcan have your subscription copy of hand-delivered to your office. For details of subscription rates and to	fthe S FINLAND	Fourth quarter	FALLS BAT Inds. 496 -10 Dura Mill 95 - 6 Hill Samuel 485 -49 Klein Benson 612 -29 Mercantile House 350 -10 Stand Chart. 738 -16 Vic Prods 93 -20 The group's 23 manufacturing companies within the wider Efim state holding company. Efim lost about L146hn last year but it is expecting at least to breakeven this year.

52.25 (125.45) (125.4

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

MISE COMPOSITE CLOSING PRICES	AMEX COMPOSITE CLOSING PRICES
	Seed of the control o
RUSWUK/ROTTERDAM/UTRECHT/WASSENAAR Your subscription copy of the FINANCIAL TIMES can be hand-delivered to your office in the centre of any of the cities listed above. For details contact: Richard Willis, Tel: 020 239430, Telex; 16527.	Cartym 42 54 144 1734 1344 -17 FedSrp 17 154-05 834 43 432 -18 FedSrp 17 166 55 5 555 + 18 FedSrp 17 166 55 555 + 18 FedSrp 17 166 555 555 + 18 FedSrp 17 166 55 555

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Oils fuel widespread rebound

AFTER a hesitant start to the session, Wall Street stock prices surged to record levels yesterday in a broad advance led by oil-related issues, writes Roderick Oram in New York.

Bond prices were narrowly mixed in light trading as the Treasury's auction of \$9.75bn of 10-year notes brought a somewhat negative outcome. The average yield of 7.27 per cent was slightly higher than expected, and it looked as though some dealers were left with notes in their inventories.

In contrast, stock markets had another sparkling day once the rally began in mid-morning. The Dow Jones industrial average closed the session at a record 2,191.23, up 22.78 points on the day. Records were set by broad market in-dices as well with the Standard & Poor's 500 rising by 3.65 to 279.64 and the New York and American Stock Exchange composite indices up 2.03 to 159.31 and

5.84 to 311.40, respectively.

NYSE volume expanded to 222.4m shares, its eighth-busiest day ever, with advances outpacing declines by a ratio of nearly three to one.

The oil sector was generally strong.

1982

STOCK MARKET INDICES

227.31

918.64

311.5

1.017.86 1.007.9

1983

891,84

275.99

912.17

309.7

19,973.33 19,956.33 13,138.1

1,742.12 1,740.77 1,047.86

739.2

4,016.82 4,033.56 2,854.76

2.332.3 2,279.5 2,211.0

3,448.1 3,400.3 2,782.1

1,759.27 1,737.37 1,136.47

216.33

420.70

106.80

575.22

1,711.20 1,732.70 1,991.0

2,636.63 2,606.38 1,728.8

703.72 704.31 486.45

248.50

972.83

251.43 249.66 111.34

2,242.69 2,258.25 1,755.30

575.30

402.4

361.15p

£1,598.50 £1,597.50

£879.00

\$17.65

Feb 4 \$404.75

\$403.00

\$402.43

\$402.00

Year ag

260,1

358.75

\$18.05

\$401.25

\$401.95

\$405.38

\$403,25

\$407.20

€877.50

260.60 258.7

371.52 377.24

65.65

413.90

105.00

371.11

972.97

574.70

COMMODITIES

GOLD (per ounce)

203.14 239.69

10.0

2,158.45 1,583.23

1984

755.22

176.45

212.79

692.40

760,17

330,4

1985

Yen

800

600

DJ Industrials

DJ Transport

LONDON

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

AUSTRIA

BELGIUM

CANADA

Portfolio

DENHARK

FRANCE CAC Gen

Ind. Tendance

WEST GERMAN

Commerzbank

ANP-CBS Gen

ANP-CBS Ind

SINGAPORE

Straits Times

SOUTH AFRICA

JSE Industrials

SWITZERLAND

Silver (spot fixing)

Copper (cash)

Coffee (March)

Zürlich

Paris (fixing)

Luxembourg

Oil (Brent Blend)

Swiss Bank Ind

SPAIN

SWEDEN

FAZ-Aktien

HONG KONG

Hang Seng

ITALY

Metals & Mins

Credit Aktien

Belgian SE

Toronto Metals & Minis

TOKYO

FT-A All-share

FT Gold mines

FT-A Long gilt

S&P Composite 279.64

Tokyo New Stock Exchange Jan 4, 1968 - 100

KEY MARKET MONITORS

Four major US companies signed long-term supply agreements with Saudi Arabia which might help push up Opec prices. The four were Exxon, up \$1½ to \$84, Texaco, up \$1% to \$39%, Chevron, up \$2% to \$54%, and Mobil, up \$1% to \$45%. Other oil companies which improved yesterday included Atlantic Richfield, up \$2% to \$70, Amoco up \$3% to \$76%, and Standard Oil, up \$4% to \$60%.

Oilfield services companies were also well ahead with Schlumberger adding \$1% to \$39%, Baker International \$2% to \$16%, Hughes Tool \$1% to \$12% and Halliburton \$2 to \$33%.

Among companies reporting lower fourth-quarter profits Sears Roebuck edged up \$\%\tau to \$46\%\, Gould gained \$\%\tau to \$19 and Tenneco added \$% to \$42%.

General Re rose \$1% to \$57%, and Travelers added \$\% to \$48\% after reporting higher results in line with the insurers generally. Among others in the industry Aetna Life gained \$1½ to \$60½, Fire-man's Fund added \$1 to \$37 and St Paul was up \$% to \$45%.

On the takeover front Mesa Limited Partnership, up \$1/2 to \$17, launched a \$15-a-share bid for Diamond Shamrock, up \$% to \$14% on volume of more than 800,000 shares. Diamond Shamrock earlier this week announced a series of moves including the buying back of shares and spinning off of its oil refining and marketing activities to try to head off a bid from Mesa which is run by Mr

T. Boone Pickens, the Texas oilman. A. H. Robins, a drug company operat-ing under Chapter 11 of the bankruptcy code, jumped \$6% to \$19% after a delayed opening. It said it had received a "significant" takeover offer from Ameri-

1986 87 1986

152.75

1.5320

1,288 37.45

6-month US\$

(3-month offered rate)

(offered rate)

1993

1-30 1-10

15-30

3% July 1990

8 April 1996

8% March 1996

General Motors

9% March 2016 (uch)

US Tressury Bonds (CBT)

cury Bills (MIM)

Certificates of Deposit (IMSK)

81/a April 2016

CHICAGO

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

20-year Notional Gill

£50,000 32nds of 100%

March

LONDON

Citicorp

SCBT South Centra 10% Jan 1993

US DOLLAR

1.7975

152.40

6.0025

1.5176

1,280

37.15 1.3335

INTEREST RATES

US BONDS

100%

Source: Harris Trust Savings Bank

161.77

153,77

143.40

156.72

190.37

(uch)

(uch)

FINANCIAL FUTURES

Latest High

Yield

997% 7.521 997%

Day's change

+0.15

+0.09

+0.06

+0.09

Yleid

6.379 9917 6.379

6.69

6.37

6.74

(uch) 93.922 8.70

94,45 94.54 94.44 94,50

93.74 93.76 93.73 93.71

115-20 115-24 114-27 114-22

7.241

Day's

-0.02

-0.01

-0.02

-0.01

92,256 6,45

7.049 99%

7.236 100 %a

STERLING

1.5290

2.7475

1,956

56.75

2.0355

11%s

Feb 4 Previous

1.5225

232.5

2.7625

2.3325

1,961

20215

11%s 3%s 4%s

57.0

can Home Products which fell \$\% to \$82%. Robins was forced into Chapter 11 by lawsuits over its Dalkon Shield contraception device.

Credit markets had started yesterday in a somewhat more cheerful mood as the dollar firmed, the federal funds rate finally fell below 6 per cent and after the successful Treasury anction on Tuesday of three-year notes raised hopes for good results in the last two days of auc-

But yesterday's sale of 10-year notes did not go as well. The Treasury re-ceived bids totalling \$21.92bn. It accepted bids with an average yield of 7.25 per cent matching the yield at the previous auction in November although a little higher than expected.

The federal funds rate at which banks borrow reserves from each other had stayed above 6 per cent in recent weeks against analysts' expectations that it would ease to an equilibrium rate of around 5% per cent. The relatively high rate helped keep other short-term interest rates firm. An influx of money from the Treasury into the financial system through, for example, social security payments, was a key factor behind the lower federal funds rate yesterday.

EUROPE

Gloom over dollar persists

NERVOUSNESS about the dollar continued to weigh on leading European bourses yesterday, with Frankfurt share prices dropping further and taking the Commerzbank index to a 14-month low.

The index was down 21.5 at 1,711.2 after a brief rally in early trading and despite a higher dollar fixing against the D-Mark. It has now fallen 97 points this

Reassessment of German companies' earnings prospects in the light of the dollar's general weakness was compounded by a lower forecast for 1987 economic growth from the HWWA research institute and by higher January unemployment figures.

Among banks Deutsche lost DM 18.50 to DM 693.50, its first fall below DM 700 since December 1985, while Dresdner declined DM 8.80 to DM 338 after news that it had doubled its stake in Metalligesellschaft to 33 per cent. The metals group was steady at DM 250. Chemicals company Hoechst rose DM 2.50 to DM 234.50 against the trend amid

to fine it for refusing to allow EEC investigators access to its files for alleged plastics price-fixing. Thyssen, the steels group, lost DM

1.80 to DM 107.70, a 12-month low, after profits dropped in 1986. In the retail sector Kaufhof plunged DM 33 to DM 465 following announce-

ment of a DM 210m rights issue. The insurance group Aachener and Münchener came under further pressure following its planned capital in-

Its shares dropped DM 40 to DM 1,500 for a two-day fall of DM 200.

Bonds were marginally higher in uiet trading. The Bundesbank bought DM 40.3m worth of paper

Amsterdam finished mixed to higher against the wider European trend but in line with its characteristic sensitivity to the dollar's fluctuations. The US currency firmed against the guilder, helping international stocks such as KLM, up 40 cents to Fl 37.50, Unilever, Fl 1.50 ahead at Fl 501, and Philips, 90 cents higher at

Zurich edged lower after its early rally on the slightly firmer dollar had offset by profit-taking by overseas investors. still uncertain about the US currency. Frankfurt's losses also helped to undermine the market. The Crédit Suisse stock index fell 4 points to 542.6.

Brussels was mainly lower on selling by institutional investors although most price declines were small in active trad-

Heaviest losses were seen in holding

companies, with Reserve down BFr 50 to BFr 3,150 and GBL off BFr 40 to BFr Paris fell further in active trading, weakened by the dollar and Wall

Street's overnight retreat, and heavy Bouygues lost FFr 25 to FFr 1,290. The construction group said it expected high-

er 1986 profits and sharply higher sales. Thomson-CSF, which has won a contract to install instrument landing systems for the British Civil Aviation Authority, was FFr 43 lower at FFr 1.465.

Milan was little changed in thin, featureless trading. Madrid continued its record run with a 1.77 rise in the general index to 251.43. Banks were mixed, with Central

steady at 1,120 per cent of nominal market value amid news of higher profits Stockholm moved lower on profit-taking after the recent rally.

SOUTH AFRICA

A MIXED TREND emerged in lacklustre trading in Johannesburg as the financial rand moved slightly higher and the bullion price remained static.

Randfontein fell R8 to R402 and Buffelsfontein eased 15 cents to R75.50, but Driefontein was 35 cents ahead at R77

AMSTERDAM DEP

FRIDAY

DEP ARR

VIENNA

ABU DHABI

DENFASAR

Late shift to heavy industrials

BUYING INTEREST centred on Aids-related and large-capital issues, taking share prices slightly higher in Tokyo yesterday, writes Shigeo Nishiwaki of

Jiji Press.
The Nikkei average of 225 select issues ended at 19,973.87, up 17.54 points from the previous day. Volume swelled to 1.54bn shares from Tuesday's 1.01bn. Declines led advances by 454 to 392, with

160 issues unchanged.

In early trading, stocks linked to
Acquired Immune Deficiency Syndrome (Aids) came to the top of the shopping list. Interest was sparked on Tuesday by press reports that the Health and Wel-fare Ministry's expert panel had con-firmed that Inferferon, an anti-cancer agent, was effective in limiting the spread of Aids.

In afternoon trading, rumours circulated that the finance ministers and central bank governors of the Group of Five major industrial countries might meet on Friday. This generated investor hopes that the Bank of Japan might make another cut in the official discount

As a result, institutional investors and businesses shifted their target from Aids-related issues to large-capital stocks such as steels and shipbuildings. The bond market was also given a strong boost.

Among Aids-related issues, Toray, which had registered a daily allowable gain of Y100 the previous day, surged Y45 at one stage. Later, however, buying interest began to dwindle and the issue ended at Y685, unchanged from the previous day, on 71.66m shares traded. Sumitomo Chemical, with 48.93m shares traded, finished Y5 higher at

Y545 after gaining Y16 earlier. Toyobo fell Y15 to Y425, Sanyo-Kokusaku Pulp Y22 to Y482 and Teijin Y20 to Y700. Large-capital Nippon Steel topped the active list with 464.90m shares and adv-

anced Y11 to Y266. Ishiwakajima-Harima Heavy Indus-

tries, the second-busiest issue with 84.07m shares traded, leapt Y38 to Y514, Sumitomo Metal Industries Y27 to Y190, Mitsui Engineering and Shipbuilding Y16 to Y201 and Nippon Yusen Y23 to Y538. These issues were considered undervalued compared with Nippon Steel, which has been spiralling since the beginning of this year.

Reflecting a concentration of trading in large-capital stocks, the volume of the 10 most active stocks accounted for 62.9 per cent of the total.

Tokyo Electric Power rose Y10 to Y8,310, while Kansai Electric Power and Osaka Gas registered sharper gains of Y70 and Y18 to Y4,480 and Y730, respec-

Financial issues were weak, with Sumitomo Bank shedding Y20 to Y3,180, Fuji Bank Y30 to Y2,640 and Nomura Securities Y20 to Y3,760. Tokio Marine and Fire Insurance drew relatively large buy orders and rose Y30 to Y2,180.

Bond prices surged in afternoon trading as a major brokerage house, which had remained on the sidelines since late last week, increased buying following rumours of an imminent G-5 meeting.

On the futures market, March contracts rose to Y105.90, matching the alltime high set on Friday last week. On the cash market, the yield on the

benchmark 5.1 per cent government bond, falling due in June 1996, declined from Tuesday's 4.855 per cent to 4.800

HONG KONG

A SURGE of foreign institutional buying pushed Hong Kong to a record and boosted the Hang Seng index 30.25 higher to a peak 2,636.63, a rise of over 140 points in the past five sessions, The Hong Kong index added 20.01 to

Turnover remained high at HK\$1.18bn compared with Tuesday's Turnover HK\$1.23bn as liquidity was aided by refunds of unsuccessful applications for K. Wah's initial offering being injected into Hongkong Bank, most active, jumped

30 cents to HK\$10.10, while Jardine Matheson rose 60 cents to HK\$23.20 in busy

CANADA

THE STRONG ADVANCE continued in Toronto after the composite index breached the 3,400 level for the first time on Tuesday. Most sectors were sharply higher.
British Columbia Forest Products

added C5% to C\$18% after Fletcher Challenge of New Zealand agreed to buy a 42 per cent stake.

Montreal was also well ahead with all major groups higher.

LONDON

FIRM STERLING and buoyant government bonds rekindled the London stock market yesterday as the FT-SE 100 surged 18.1 to a fresh peak of 1.846.7 while the FT Ordinary index added 14.3 to a record 1,472.8.

Prices derived early inspiration from the overnight news that Aramco had agreed a fixed price term contract with Saudi Arabia

BP jumped 17p to 782p on 7.7m shares and Britoil added 5½p to 193p on 4.6m shares while British Gas, most active again with 37.6m shares changing hands, firmed 1/2p to 69p.

ICI surged on local demand of 7.9m shares and closed £1% up at £131%s. Gilts were aided by the firm start to New York bond trading and the opening of the week's auctions of federal securities. Gains of up to a full point were held

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despite some late attempts at profit-tak-

AUSTRALIA

BARGAIN-HUNTING among golds and industrials added a measure of strength to Sydney and buoyed the All Ordinaries index 10.4 to 1,512.9.

Overseas buyers were busy on the back of a firmer bullion price in Asian trading. Kidston advanced 10 cents to A\$7.40, and Australian Consolidated Minerals resp. 30 cents to A\$8.20 minutes. Minerals rose 30 cents to A\$6.30 while 10-cent gains were recorded by Emperor and Poseidon at A\$6.30 and A\$6.60, re-

Among industrials FAI jumped 50 cents to A\$9.80, and Private Blood Bank, benefiting from recent Aids publicity, surged 56 cents to ASS.06 following a 45cent gain on Tuesday.

SINGAPORE

PROFIT-TAKING in certain blue chips and trustee stocks contrasted with selective buying interest in Malaysian issues to take Singapore to a mixed close.

The Straits Times industrial index edged 0.14 higher to 972.97, another 29month high, on lower turnover than on

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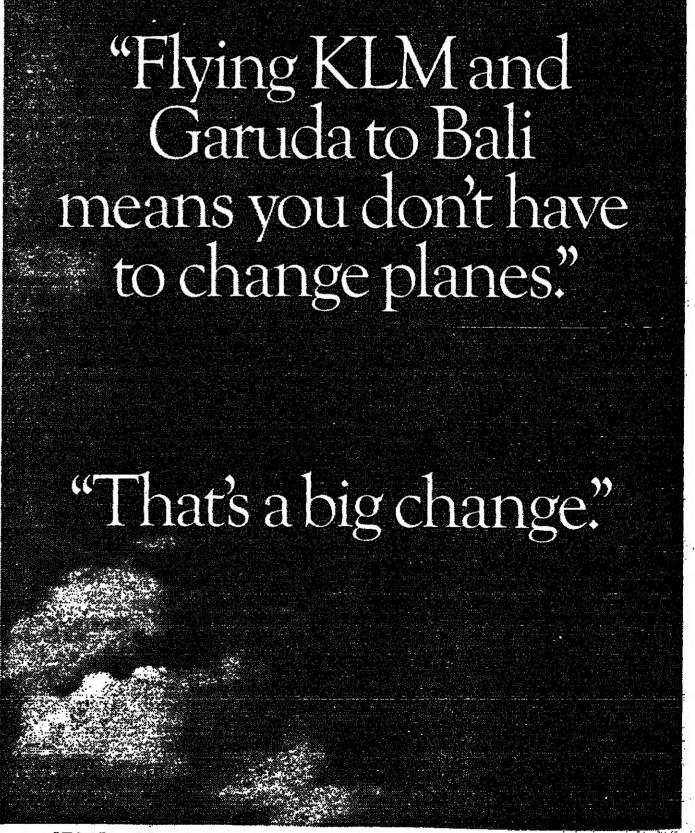
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Among the losers, Cold Storage was down 4 cents at S\$3.66, Fraser and Neave 5 cents off at S\$9.80 and Singapore Land also 5 cents lower at S\$5.90. Advances among Malaysian issues, which have tended to fall behind Singa-

pore stocks recently, included Malayan Banking, up 15 cents to S\$8.25,



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VIENNA

